DOCUMENT RESUME

ED 049 373 VT 012 838

TITLE	Consumer Education For Families With Limited Incomes.
INSTITUTION	Texas Tech Univ., Lubbock.
PUB DATE	Feb 71
NOTE	369p.
AVAILABLE FROM	Home Economics Instructional Materials Center, P.O. Box 4067, Texas Tech University, Lubbock, Texas 79409
EDRS PRICE	EDRS Price MF-$0.65 HC Not Available from EDRS.
DESCRIPTORS	Audiovisual Aids, *Consumer Education, Decision Making, *Disadvantaged Groups, Economic Disadvantagement, *Home Economics Education, Instructional Aids, Learning Activities, Money Management, Purchasing, *Teaching Guides

ABSTRACT

Prepared by the Home Economics Instructional Materials Center at Texas Tech University after a literature review and interviews with persons teaching low-income adults, and tested with groups of disadvantaged adults, this guide is for teacher use in providing disadvantaged adults with consumer education information. Section I describes the procedures used in the development of the materials in the guide, suggestions for their use, and background information on poverty and working with poverty groups. Section II provides behavioral objectives, vocabulary terms, suggestions for content and learning experiences, key ideas, directions for audiovisual aids and suggestions for simulation games, case studies, skits, and stories for the following units, which are designed for persons with fourth to sixth grade educational levels: (1) Decision-Making, (2) Planning, (3) Buying, (4) Banking, (5) Borrowing, (6) Saving, (7) Insuring, (8) Sharing, (9) Earning, and (10) Protecting. Section III contains suggestions for the teacher working with homemakers or families on a one-to-one basis. Included are guidelines for person-to-person instruction, problem areas of low-income families, suggestions for visuals and handouts, and a list of free and inexpensive references and materials. (SB)

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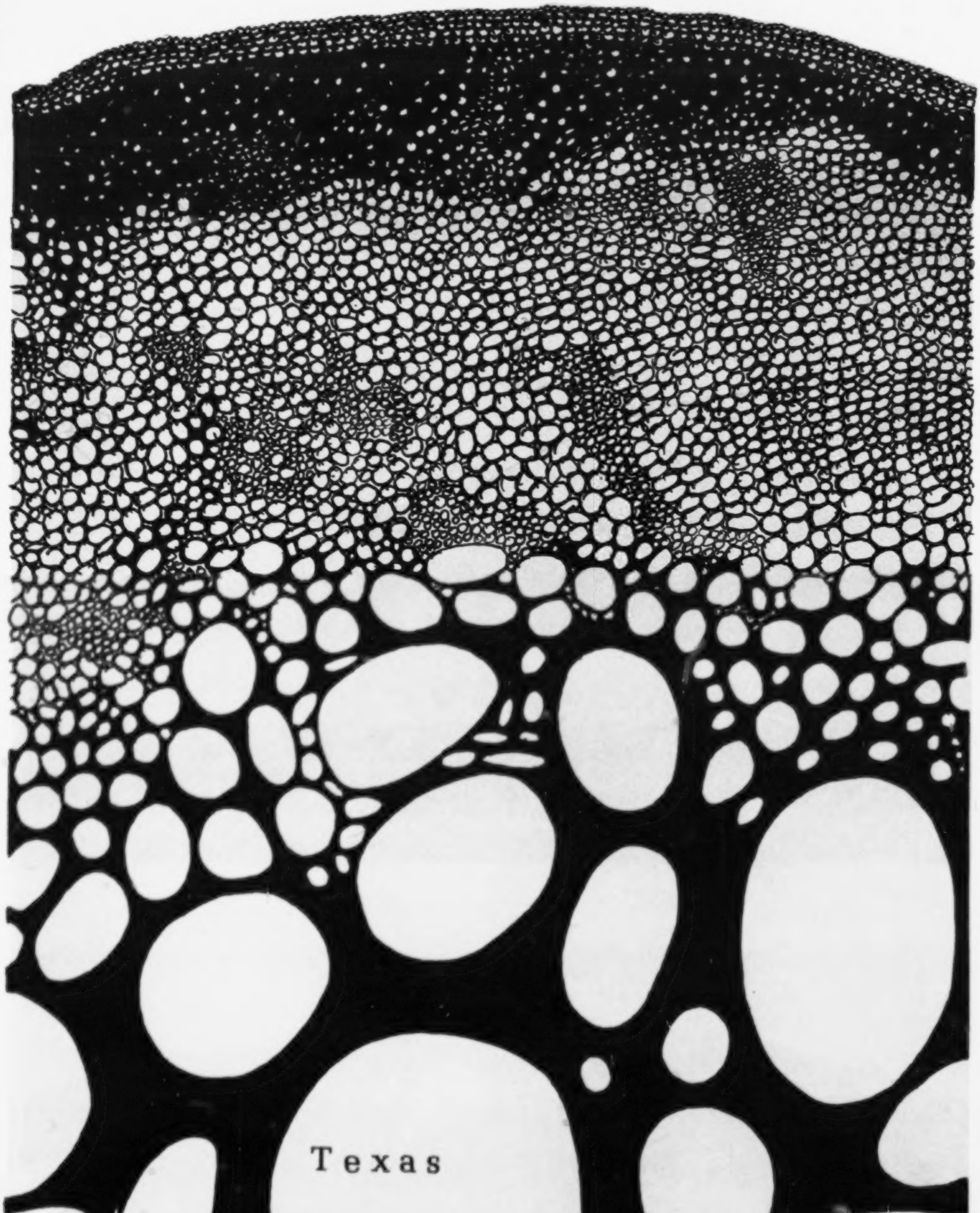

Texas

Consumer Education

for families with limited incomes

VT012338

ED049373

CONSUMER EDUCATION
FOR
FAMILIES WITH LIMITED INCOMES

Materials Prepared by
Home Economics Instructional Materials Center
Texas Tech University

Issued by

Texas Tech University
College of Home Economics
Department of
Home Economics Education
Lubbock, Texas

in
cooperation
with

Texas Education Agency
Department of Vocational
and Adult Education
Division of Homemaking Education
Austin, Texas

February, 1971

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First Printing
February, 1971

DESCRIPTION OF HOME ECONOMICS INSTRUCTIONAL MATERIALS CENTER

The Home Economics Instructional Materials Center was established September 1, 1967, as a continuing project. It is a cooperative project between the Division of Homemaking Education, Texas Education Agency, and the College of Home Economics, Home Economics Education Department, Texas Tech University at Lubbock, Texas. The instructional materials which are being developed at the Center are intended to assist teachers and coordinators in promoting and teaching home economics gainful employment programs or consumer education.

To provide a background of information for the establishment of the Home Economics Instructional Materials Center, a Planning Grant Project was approved by the Texas Education Agency for February 1 through August 31, 1967. The major purposes of the Planning Grant Project were (1) to assemble and catalog an occupational reference library, (2) to develop procedural steps for preparation of instructional materials, and (3) to illustrate the first sequence of these steps, that is, to develop job analyses and to list competencies needed for employability of students.

The present major objectives of the Home Economics Instructional Materials Center are (1) to develop instructional materials designed for use by students enrolled in cooperative part-time training programs and in pre-employment laboratory training programs in preparation for employment in occupations requiring home economics knowledge and skills, (2) to develop materials in consumer education, and (3) later to develop materials designed for use in home and community service programs.

Acknowledgement is given to:

Miss Louise Keller, former Consultant in Job Training, U.S. Office of Education, who directed the Planning Grant phase of the project.

Miss Rua Van Horn, former U.S. Office of Education Regional Home Economics Supervisor, who served as consultant during the Planning Grant.

Mrs. Elizabeth Smith, Director, Division of Homemaking Education, Texas Education Agency, who conceived the original and continuing plan for establishing the Center.

Miss Barbara Clawson, Director of the Center from 1968-1970, and Mrs. Thelma Whigham, Assistant Director of the Center from 1967-1970.

Dr. Camille G. Bell, Chairman, Department of Home Economics Education, and Dr. Willa Vaugh Tinsley, Dean, College of Home Economics, Texas Tech University, who continue to serve in an advisory capacity.

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ACKNOWLEDGEMENTS

This guide in Consumer Education for Families with Limited Incomes, prepared by the Home Economics Instructional Materials Center at Texas Tech University, is the result of the combined efforts and ideas of many people, namely:

Miss Barbara Clawson, Director of the Center during the writing of this publication, who directed the preliminary writing of the entire publication.

Mrs. Thelma Fortenberry, Dallas, Texas, and Mrs. Barbara Truitt, Amarillo, Texas, Home Economics Teachers, who spent a month at the Center helping with the writing of the Consumer Education instructional materials.

Mr. Howard Welborn, Lubbock, Texas, who drew part of the illustrations for the instructional materials.

Mrs. Virginia Thompson, Lubbock, Texas, who drew part of the illustrations for the instructional materials and designed the cover.

Mrs. Luanna Price and Mrs. Laura Fainter, Graduate Research Assistants, Texas Tech University, Lubbock, Texas, who helped with the writing of the instructional materials and preparation of the final copy.

FOREWORD

The urgency of giving consideration to social and cultural conditions and needs, especially in economically depressed areas, as evidenced in Part F of the Vocational Education Amendments, prompted the development of this bulletin in Consumer Education for Families with Limited Incomes.

Home economists have recently been asked to expand their concepts of reaching and teaching disadvantaged adults. This bulletin is planned to aid the concerned home economist in teaching consumer education to disadvantaged adults. The area of consumer education was chosen because research has shown it to be one of the greatest needs of low-income families.

The increasing complexity of the marketplace has necessitated that decision-making, as used by individuals and families in the management process, become an integral part of consumer education. It is believed that this approach will enable students to identify and analyze their values, needs, wants, goals, and resources and to make rational decisions, regardless of the technological changes which may occur.

Consumer Education for Families with Limited Incomes is designed as an aid for teaching adults with limited incomes. The information included in this bulletin is presented in three sections.

Section One is an overview for preparing teachers to teach consumer education to disadvantaged adults. It contains information on poverty and its effects on families; suggestions for planning, teaching, and evaluating consumer education programs for disadvantaged adults; and suggestions for using the materials in this bulletin.

Section Two, Lessons for Groups, includes units in ten areas of consumer education, including decision-making, planning, buying, banking, borrowing, saving, insuring, sharing, earning, and protecting. Lessons and units are designed to stand alone for flexibility in program planning.

Each lesson in Section Two contains behavioral objectives, vocabulary words, suggestions for content and learning experiences, suggestions for application, and key ideas. Lessons are designed for use with groups having fourth to sixth grade educational levels. Following each lesson are directions for transparencies, posters, bulletin boards, flannel boards, instant slides and other visuals; suggestions for simulation games, case studies, skits, and stories which may be used in carrying out the suggested learning experiences in the lesson. References to suggested visuals and teaching-learning materials following each lesson are clearly identified. Each vocabulary word is underlined the first time used in the lesson to remind the teacher to define and explain as needed, since the student's understanding of the word will affect his understanding of the entire lesson.

Many suggestions for learning experiences are included in each lesson. The teacher is not expected to use all the suggested experiences given in each lesson. She may adapt, supplement, and/or expand the suggestions included in view of the specific needs, interests, abilities, and backgrounds of her students. Many of the experiences suggested may also be used as a means of evaluating the progress of students.

Section Three, Working with Individuals, should aid the teacher working with homemakers or families on a one-to-one basis. This section should be particularly helpful to teachers working with families in extreme poverty and those with little or no education. It includes guidelines for person-to-person instruction, problem areas low-income families frequently have in consumer education, suggestions for visuals and handouts, and a list of free and inexpensive references and materials for use with disadvantaged adults.

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INTRODUCTION

Before the teacher begins work with disadvantaged adults, she should become familiar with poverty and its effects, with characteristics of the poor which may affect their learning, as well as with poverty in her own community. She is then ready to begin planning programs for a specific group or locating individuals with whom to work. Information on poverty, teaching and evaluative techniques, and making visuals and handouts are given in Section One of this bulletin. Section Two contains lessons for groups in the following ten units: decision-making, planning, buying, banking, borrowing, saving, insuring, sharing, earning, and protecting. Section Three contains guides for working with individuals, areas in which disadvantaged adults may need help, and examples of media for use with individuals.

Development of These Materials

In preparation for the development of these materials in consumer education for adults with limited incomes, an extensive review of literature was conducted. Much of the information on poverty, characteristics and limitations of the poor, and learning characteristics reported in Section One was obtained from the review of literature. Many of the ideas for program planning also came from literature on working with disadvantaged adults. The review of literature was also used in preparing a scope and sequence of possible consumer education concepts.

In an attempt to provide additional information regarding disadvantaged adults in Texas, five persons working with low-income adults in Lubbock, Texas, were interviewed. Each of the five persons had experience working with one or more of the three ethnic groups prominent in Lubbock: Anglo, Negro, and Mexican-Americans. These persons contributed examples of consumer practices and problems of the low-income persons with whom they worked, described the educational characteristics of the poor, and made suggestions for teaching methods which had been successful in working with disadvantaged adults. The persons interviewed then reacted to the proposed scope and sequence in this publication, made suggestions for improvement, and identified areas which they felt needed particular emphasis.

Using the information gained from the review of literature and supplemented by the interviews, objectives and generalizations were prepared for each of the ten major areas of the proposed scope and sequence. Using the objectives and generalizations as guides, lessons were written including suggestions for vocabulary, learning experiences, handouts, visuals, transparencies, and activities.

To test the usefulness of the materials being developed, portions of Units I, II, and V were used with groups of disadvantaged adults. Lessons from Unit III, Planning, were used with two 4th to 6th grade level classes enrolled in Adult Basic Education. Portions of Unit II, Decision Making, were used with an OEO (Office of Economic

Opportunity) group while Unit V, Borrowing, was used with a group of disadvantaged adult homemakers. Findings from the use of these sections of the materials indicated that they are appropriate for use with a variety of groups, since these particular classes ranged from informal to formal and included students from each of the three major ethnic groups who were from various income levels within the low-income range and who were also educationally disadvantaged.

Planning Programs

The lessons in Section Two were designed primarily for use with low-income adults who have a fourth grade education or more. They were not planned for use with extremely low-income families or for adults with less than a fourth grade education. The concerned teacher working with the latter type of group or individuals should, however, find a number of the ideas in the lessons which would be helpful and could be adapted for use with her own group. Teachers working with extremely low-income families or adults with less than a fourth grade education will find more specific help in Section Three.

In preparing to use these materials, the teacher will find it helpful to read a basic consumer education text, particularly if she has not taught consumer education. One of the following texts would be especially useful:

Thal, Helen M. and Melinda Holcombe. Your Family and Its Money. New York, New York: Houghton Mifflin Company, 1968.
Schoenfeld, David and Arthur A. Natella. The Consumer and His Dollars. New York, New York: The Macmillan Company, 1969.

It is also important to read the introductory section of this bulletin which provides information that can lead to an understanding of the poor and of techniques for working with disadvantaged adults. To gain a better understanding of adults with limited incomes, any of the following books would provide good background reading:

Caplovitz, David. The Poor Pay More. New York, New York: The Free Press Glencoe, 1963.
Leinwand, Gerald. The Consumer. New York, New York: Washington Square Press, 1970.
Magnuson, Warren G. and Jean Carper. The Dark Side of the Marketplace. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1968.
President's Committee on Consumer Interests. The Most for Their Money. Washington, D.C.: U.S. Government Printing Office, 1965.

The teacher should read all the lessons in Section Two to become aware of the context and format of the lessons. Using the needs and interests of the group as a basis for planning, the teacher is then prepared to decide which units, lessons, or parts of lessons will be used. These should be studied in detail well in advance of their use to allow plenty of time for preparing visuals and handouts, for doing additional reading in the area, and for determining and making adaptations of the materials to meet the needs of the group with which they are to be used.

Although the concepts and subconcepts are arranged in a logical sequence for teaching the complete series to a single group, it is not anticipated that there will be wide use of the materials in this manner. Each of the ten major units, therefore, is designed to stand alone. Many of the individual lessons may also be used alone or ideas may be taken from several lessons in order to prepare lessons to meet the needs of a specific group. For those lessons which depend on learning experiences in an earlier lesson, the teacher may be able to provide enough basic information to enable her to use the lesson singly, if desired.

These lessons are intended to provide a basic framework for the teacher and to give the information essential for developing each concept in the form of suggested learning experiences. The teacher should, however, feel free to expand, delete, and adapt the material as necessary to fit the needs of her group.

Teaching the Lessons

It may be necessary to make several types of adaptations in the lessons to make them relevant to the needs and interests of a particular group. The teacher may wish to change the names in stories, case studies, and examples to make them more culturally appropriate if she is working with a specific ethnic group. The figures in some of the examples may need to be changed to make incomes and expenditures more like those of her group. Activities of families in the stories should be made relevant to the activities of the families of her students. Examples drawn from the teacher's own experiences with the group or with similar groups may be added to make the lessons more realistic.

The teacher must be aware of the reading and language levels of group members. If the class has difficulty in understanding a point, the teacher should be sure to expand it and approach it from different points of view, using examples the students will understand. Questions should be asked to determine whether students understand a point. The teacher also should be aware of whether or not the students will understand a word before using it. Rather than use a word they do not understand, the teacher should try to find another word, give an example, define the word in very simple terms, or develop the learners concepts using the word she would normally use.

In regard to planning length of classes, an attempt has been made to make each lesson approximately one hour long. However, it should be noted that the time required for a lesson will vary with the group, their interests, and with their educational background. The teacher, therefore, must consider her own group before estimating the time a given lesson will require.

Evaluation of Programs

No program is complete without evaluation. However, evaluation of disadvantaged adults requires special attention and planning. Past failures may have caused blocks against school and testing, so the teacher will need to be especially creative in planning evaluative devices. Suggestions for creative evaluation are included in Section One.

SECTION ONE: OVERVIEW

SECTION ONE: OVERVIEW

The purpose of Section One is to describe the procedure used in the development of the materials in Sections Two and Three, to give suggestions for their use, and to provide background information on poverty and working with poverty groups. Hopefully, this information will aid the teacher in making effective use of the suggestions for units and lessons included in this publication.

WHAT IS POVERTY?

In ours, the richest nation in the world, poverty has recently come into particular focus, even to the extent that it has been identified by some as a "subculture" of our society. The result has been the coining of numerous terms to describe this group, including "the underprivileged," "the disadvantaged," "the culturally deprived," "the low-income group," "the lower class," "the poor," and on and on. Whatever they are called, however, these people are the ones who are located at the bottom of the socio-economic ladder. For the purpose of this bulletin, the terms low-income and disadvantaged are used interchangeably to imply limited incomes and educational disadvantages.

Although the Social Security Administration has used a $3000 income for a family of four and $1500 for an individual as the index by which to identify the poor, it is recognized that this represents a gross oversimplification. There is no adequate way to say with certainty that one family is poor and another is not on the basis of income alone. More recent poverty scales take into account such things as family size, age, assets held, climate, economic price levels, the opportunity to grow food, and farm-nonfarm residence. Poverty is also defined in terms of minimal levels of health, housing, food, and education which are necessary for life in today's highly scientific and technological society. Thus, the period in history is a factor, too, in determining a definition of poverty because the economic level in the United States on the whole is now moving upward.

Although estimates of the extent of poverty in the United States vary, the use of the Social Security Board poverty index indicates there were 6.1 million poor families in 1966. These families included almost 30 million persons. In addition, almost 5 million unrelated individuals were labeled poor. This amounts to about 15 per cent of the total population or almost one in every five persons. In 1965, Texas, according to the United States Department of Agriculture, ranked fourteenth in the number of impoverished persons. In that year, almost 30 per cent of the population in Texas had money incomes of less than $3000.

WHO ARE THE POOR?

Certain categories of people in the United States are more frequently found among the ranks of the poor than others. Concentrations of poverty are found particularly among (1) non-whites, (2) families which have no wage earners or only a part-time wage earner, (3) families with a female head or with a male head 14 to 25 or over 65, (4) families in which the head has less than eight years of school, (5) families with six or more children under 18, (6) rural families, (7) families where earners have low-wage occupations, (8) families with disabled members, and (9) families who live in certain areas.

CHARACTERISTICS OF THE POOR

The poor are like all other persons in that they have the same basic needs--physical, emotional, and psychological--as those in higher income brackets. The main difference between the poor and those who are not poor is the degree to which they are able to meet these needs.

The main reason the poor have difficulties in meeting their physical needs, particularly in urban areas, is their low incomes. A low income is usually a product of underemployment and scattered, irregular, miscellaneous employment, often at undesirable occupations. Low-income families have little money, virtually no savings, and no economic security. This means, among other things, buying often and buying small amounts--and getting less for their money than persons with higher incomes. In attempting to meet their physical needs, low-income families may have to resort to extensive borrowing through formal and informal sources, use of second-hand clothing and furniture, and living in over-crowded dwellings which offer little privacy.

Inability of the poor to meet their physical needs is further evidenced by a higher death rate, a lower life expectancy, a lower level of nutrition, and lower levels of health, both physical and mental, than are found among the prosperous. The poor depend more on home remedies and folk medicine, because medical care is both expensive and frightening, even though some medical aid is available.

Emotional and psychological characteristics of the poor are identified in the findings of a number of investigators. Evidence seems to indicate that the poor tend to be:

(1) Authoritarian. This is particulary true in family patterns. The family pattern is likely to include a definite head of the household with children as subordinates. Punishment is likely to be physical and administered by a figure of authority.
(2) Anti-intellectual. After frequent failures in school, the poor may read very little, if any. School may be considered unimportant or unable to provide a way of bettering oneself.
(3) Prone to action rather than contemplation. Jobs are likely to require physical activity. Disagreements may be settled physically rather than verbally.
(4) Inclined to personal and concrete thinking rather than impersonal and abstract thinking. Those in poverty areas have a limited perspective on life. They frequently see things relating only to themselves, their families and their friends. Seeing things in relation to the community, the state, the nation, and the world

may be much more difficult. Understanding abstract concepts such as mathmatics may also be difficult.

(5) Given to resignation and fatalism. Because the poor may be limited to living, working, and shopping within a small area, they may feel that they have no control over their destiny. Failure to see oneself in relation to the rest of the world may contribute to this feeling. Feeling that they lack control over their own destiny may explain why fatalism is frequently listed as a characteristic of the poor. How can one be optimistic about the future when he feels luck, fate, and other outside forces have controlled his destiny thus far?

(6) Given to apathy. This characteristic refers to the seeming "I don't care" attitude frequently noted in the poor. This attitude may be expressed through a seeming lack of emotion or lack of interest. Poor nutrition and inability to provide for one's own needs may be important aspects of this attitude.

(7) Provincial and locally oriented in attitudes and opinions. Folk lore, opinions, and attitudes are more likely handed down from generation to generation among the poor. Because families may have never been outside the area in which they live, they may not have been exposed to as many attitudes and opinions as persons with wider horizons.

Studies show that the poor are usually born poor, that they frequently feel rejected by society, have a poor self-concept, tend to be aggressive, operate under their own value structure, live in a "negative" environment, and are disadvantaged in their language skills.

LIMITATIONS OF THE POOR

The obvious limitations of the poor include inadequate, crowded living quarters, reduced access to education and recreation, and occupational restrictions to simpler, manual types of work. Not so obvious, however, are the problems which these and similar limitations impose upon the low-income family. The life conditions imposed upon the poor by such limitations include the following:

(1) The poor have limited alternatives because of their narrow range of experience. Daily routines of the poor seldom vary. Jobs are limited to less complex, less creative, less demanding, manual labor ones. Socially, the poor seldom go beyond kinship and neighborhood groups--people very much like themselves.

(2) They are in a position of helplessness compared to the bulk of our society. They have little bargaining power in the work world, thus little opportunity for improving their situation. They are the most easily replaced workers in the labor force.

(3) The poor are deprived when compared to the rest of society. It is difficult to say that one family is poor and another is not, however. Inability to meet needs and wants felt by the family is one obvious deprivation of the poor. Certainly compared to the riches of life so attractively and invitingly displayed on

television, in newspapers, on billboards, in store windows, and on the very streets themselves, the poor are deprived.

(4) The first three limitations certainly lead to insecurity, but so do a number of other factors in the daily lives of those less fortunate members of our society. Sickness, injury, loss of work, and legal problems all occur more frequently among the poor. Their resources are sparse, and their savings, if any, are quickly used up in any sizable emergency. Constant fear of these possibilities tends to cause insecurity.

Further limitations are expressed in the term alienation, which is frequently used to describe the poor. Alienation seems to have four different forms of expression among the poor. This alienation is seen in their feelings of (1) powerlessness, (2) meaninglessness, (3) anomia, and (4) isolation. Powerlessness is frequently expressed in their conviction that they can influence neither society nor their own lives; that whatever happens is an act of fate, luck, or accident. Their world is meaningless because they do not grasp the structure of the world in which they live; they cannot understand their place in it; and they never know what to expect from it. Anomia is a term referring to a normless condition in which social standards have been broken down, or have no influence on behavior. Anomia is a condition which probably results from the failure of prescribed behavior to lead to expected goals; for example, when hard work fails to lead to economic success. Isolated from the rest of the world, the poor seldom get out of the slum area in which they live, may never travel across town, may never see the things most Americans take for granted.

Although these characteristics and limitations are useful aids in understanding the problems of the poor, it is important in working with individuals to avoid assuming that all the poor are alike. The poor are not one large, homogeneous group. Thus, the teacher must learn the special problems of each individual in her class when working with low-income groups just as she does in any teaching situation.

CHARACTERISTICS WHICH AFFECT LEARNING

People with limited incomes have the same need for expression, attention, and recognition as other people. Self-confidence and self-respect are powerful motivating forces, and every opportunity should be taken to help class members feel accepted, wanted, and worthwhile.

A number of factors affect not only the ability of the disadvantaged to learn, but also the likelihood of their participating in educational groups. The educationally deficient individual lacks the skills necessary for enjoying a formal learning situation. He may lack both the social skills for group participation and the initiative or motivation to join a group without considerable encouragement. In addition, he may fear outsiders or people he does not know. If he has previously experienced failure in school activities, he may be insecure, lack self-confidence, and fear failing again. His level of aspiration may be low because he does not know what he may reasonably expect to attain.

Adults in limited income groups are characterized by a number of factors which affect learning. Awareness of these factors is an important aid for the teacher of disadvantaged adults in planning programs which will provide opportunities for class members to receive the fullest benefit from the class.

Characteristics which encourage adult learning include:

(1) Recognition of immediate problems. Adults should be encouraged to express their immediate problems, so these can be used as the basis for beginning lessons.

(2) Meeting basic needs. Because limited income adults, like other people, are striving to meet their needs, classes should be planned which deal with meeting these needs.

(3) Influence of admired person. If the teacher can gain the confidence and admiration of the learners, their desire to learn is increased. This also places her in a position to help meet their basic needs for recognition and approval.

(4) Interest in relevant learning. The disadvantaged learner must see a relationship between what is being taught and his own situation. If this relationship is established early in the course and frequently reinforced, interest is more easily held.

(5) Learning by doing. Disadvantaged adults learn most easily when they are personally involved in the experience through guided practice.

Characteristics which are barriers to learning include:

(1) Fear of failure. Many disadvantaged adults have experienced repeated failures in school. A new learning situation may carry threat of further damage to an already battered self-concept, so they may avoid new learning situations. If a teacher can give students opportunities to succeed, she will do much to increase their likelihood of learning.

(2) An acquired dislike of school. There is some evidence that school has a negative connotation in many disadvantaged homes. Therefore, it may be important for the teacher of adults with limited incomes to avoid associating her classes with school or education.

(3) Feeling of being too old to learn. A disadvantaged adult, like many other adults, may have the attitude that he is too old to learn. The teacher may need to emphasize small achievements at first so this false belief is corrected and new learning can take place.

(4) Lack of language skills. Because of their poor language development and their inability to speak standard English, learning experiences must be geared to the disadvantaged adults' level of language and a limited amount of time devoted to lecture and discussion. Many additional experiences other than verbal ones should be provided. The language problems of disadvantaged adults have several implications for the teacher. Most important, she must be a good listener. Because students may use words incorrectly or inappropriately, she must be able to interpret what they are trying to say. By always listening carefully and by asking appropriate questions and probing to get at the meaning of

their answers, the teacher will soon realize that her students have many important contributions to make to lessons. It is also important for the teacher to be supportive in helping the students say what they mean and to be careful not to alienate them by embarrassing or correcting them.

(5) Need for immediate gratification. Because of their many past failures, disadvantaged learners tend to give up on tasks which provide no immediate sense of accomplishment. Encouragement and praise are necessary to promote completion of these tasks. In addition, practical rewards should be given as often as possible.

(6) Short attention span. The short attention span of disadvantaged learners demands that learning tasks be short and varied. Listening for long periods of time may be particularly difficult for disadvantaged learners. Therefore, instruction should emphasize seeing and doing rather than a verbal approach.

(7) Slowness to learn. Disadvantaged learners are slow in their performance of intellectual tasks. Slowness should not, however, be equated with dullness; it simply means that adequate time must be allowed for completion of each task.

(8) Lack of time. Homemakers with large families and low incomes may have difficulty finding time to participate in classes. Husbands who work long hours at physically tiring jobs may be exhausted and may not be interested in attending classes at night.

(9) Interfering past experiences. Cultural patterns which affect values and attitudes are likely to be different for the group than they are for the teacher. It may, therefore, be difficult for a "middle class" teacher to effectively communicate with a person or group of people holding different social values because her standards in many aspects of living, including sanitation, adequacy of diet, and home furnishings, are likely to be very different from those held within the lower socio-economic family. A teacher who is consciously aware of these factors and takes them into consideration when planning the lessons is more likely to be successful than one who does not.

(10) Reading difficulty. Because the average educational level of the disadvantaged adult is between the fourth and sixth grade, reading ability is usually low. In addition, reading may be associated with failure in school, with the result that the adult may have done little reading since dropping out of school. Difficulties in reading must be taken into account in preparing handouts, visuals, and other materials.

In addition to the characteristics discussed above, other factors must be considered by the teacher when planning classes for a group of adults with limited incomes. It is often difficult for them to get to the meeting place. The reason for this may be that they have no place to leave the children, or they may not have transportation outside their neighborhood. It may be necessary for the teacher to help solve such problems or to plan the meeting place accordingly. Another reason for such adults hesitating to attend meetings is the feeling that their clothing is not suitable. Attendance of any one individual is likely to be inconsistent and absences are to be expected. Group size may vary from only a few to a large number depending on such extraneous factors as weather, community and church activities, or a death or marriage in the neighborhood.

PROGRAM PLANNING

Preliminary planning is necessary before beginning work with families with limited incomes. Such planning should involve the following steps:

Surveying the community. One of the first steps in organizing a class is to find out what educational needs are already being met in the community and the groups of people who are being reached. This type of information may be obtained from persons associated with the welfare agencies, the public school system, the local housing authority, and churches. A study of the U.S. Census will give the number of families in the area who have incomes of less than $3,000, the educational level of these families, and the number of houses in the area which are deteriorating or dilapidated. These facts will aid in determining the type of class that will likely meet the needs of the community.

Discovering the needs of low-income families. If the content material is to meet the needs of the people, it is important to identify these needs. After the area or neighborhood to be reached is determined, existing needs can be discovered by turning to people in that area. People who work and/or live in the area, such as ministers, priests, teachers, community leaders, and businessmen, can provide much of the information needed. Additional information may be gained from the families themselves through both conversation and observation.

Adapting programs to meet their needs. The needs and interests of no two groups are exactly alike. In addition, groups vary somewhat in their characteristics. The teacher must, therefore, be prepared to adapt programs to the specific group with which she is working. It is recommended that the class begin with lessons on topics which have the most appeal to the class members. Providing additional learning experiences in problem areas is another way of meeting the needs of a particular group. To aid in meeting needs for self-esteem, visual aids and case study names should be representative of the ethnic group or groups included in the class.

Pacing the program to meet needs. Learning characteristics of the disadvantaged, previously discussed, indicate that this type of group is likely to take longer to grasp concepts than those with higher educational levels. Sufficient time must be allowed for each activity. Repeating essential ideas or concepts in different ways may aid students in remembering these points.

Building program around meaningful problems. Programs should be geared to the family with a limited income. Making use of the current life experiences and problems of disadvantaged families can be particularly helpful in making programs relevant. Such experiences and problems may be discovered through observation, listening, role playing, or discussing.

Determining objectives. Programs should be built around meaningful objectives of which the students are aware and toward which they can work. By involving students in deciding what they want to get out of the class, learning can be made more pertinent and meaningful to them. Evaluation of progress toward these goals, particularly when goals have been set by the learners, is highly important.

PROCEDURAL CONSIDERATIONS

Another aspect of planning classes for adults with limited incomes involves such procedural considerations as group size, meeting place, classroom procedures, and human relationships.

Group size. A small group of five to fifteen members is the most satisfactory. A group of this size allows for maximum interchange among its members, but still provides for a diversity of opinions and ideas. A degree of intimacy and rapport is more likely to develop in a small group than in a large group.

Meeting place. The meeting place for a group of disadvantaged adults should be as pleasant, attractive, and orderly as possible. Color is important and may be introduced through pictures, eye-catching bulletin boards, plants, and curtains. Reading materials on their reading level in areas in which they are interested might also be provided. The meeting place should be conducive to learning so students will want to return. Even if the meeting place is an old store, the teacher should attempt to make it as attractive as possible with the help of her class.

Classroom procedures. Lessons planned for disadvantaged adults must have built-in flexibility. It may be well to allow some time for visiting or for activity before beginning the lesson to allow for the arrival of the inevitable late-comer. In addition, if students show particular interest in an activity or topic, the teacher may continue it longer than planned, or if students show little interest, it may be well to change the activity or topic. Attention span is usually extended when lessons deal with things that interest them. However, such factors as weather, community activities, family problems, and other events may affect the degree of attention given to a lesson.

Students may feel more comfortable if a regular procedural routine is observed. This should be established in the early meetings of the group and students should know that all lessons will follow a similar pattern.

Directions for activities should be clear and simple. They may need to be repeated to be sure students understand them. Some students may also need individual attention.

Most activities should be planned so that they may be completed in one period. If activities are extended, directions will need to be repeated. Also, the high absentee rate of such groups prevents many of them from finishing carry-over activities. Remembering that slowness is one of the characteristics of the learning style of disadvantaged adults will aid the teacher in allowing sufficient time for completion of activities.

Human relationships. Sensitivity to human relationships is especially important in working with disadvantaged adults. They often feel that they have been rejected by society, and they may not feel that they are respected by members of other socio-economic groups. Their continuing deprivation tends to reinforce these feelings. In addition, many disadvantaged adults are members of minority groups and have felt the brunt of racial prejudice. Thus, the teacher must first give class members the assurance that each is an individual to be respected. Good human relations may be readily established if the teacher takes time to talk with them as individuals; shows a genuine interest in her students, their families, and their problems; refrains from making belittling remarks about her students; and, in general, treats her students with respect.

Correct pronunciation of names is also important in developing good human relations. Teachers of minority groups should learn the names and labels the group members find offensive and what they would prefer to be called. As in other situations, individuals should be called by the name they prefer.

The teacher should beware of communicating a "better than thou" attitude to students. The advantages of certain behaviors can be pointed out without making pupils feel that their patterns are inferior. Students' use of nonstandard English is a prime example.

TEACHING METHODS SUCCESSFUL WITH DISADVANTAGED ADULTS

It has long been recognized that there is a relationship between the conditions of social, cultural, and economic deprivation and deficient learning. The environment having the greatest extent of these deprived conditions also consistently has the highest level of school retardation. Particularly striking are deficiencies in linguistic skills and reading ability in areas with this type of environment. Incidence of school dropout and failure are high and destine these persons to a lifetime of the least skilled and least desirable jobs with little or no opportunity for upward social mobility. To reduce this waste of human potential, teachers must find methods suitable for developing the abilities of the disadvantaged.

General principles of learning. Basically, of course, there is no difference in the way the disadvantaged learn and the way others learn. The same general principles of learning which apply to other groups also apply to them. The largest difference lies in the meanings things hold for these learners and the degree to which certain factors are operable. For example, although all learners proceed from learning about things which are familiar to those which are not familiar, there may be differences in what is familiar to disadvantaged students. Table setting might be very familiar to the middle class learner, but to students living in families without enough pieces of silverware to go around, it may be quite unfamiliar. In addition, factors that motivate the disadvantaged to learn may differ radically from those that motivate the middle class person. The middle class person may be motivated by grades, a diploma, or learning for the sake of learning;

the disadvantaged learner may need something more tangible and immediate to motivate him to learn, such as being able to see how he can use the information now.

Relevance. Relevance is frequently stressed as a important factor in teaching the disadvantaged. Relevance may be a solution to the problem of motivation because it provides a present and meaningful connection with the life of the disadvantaged learner. To successfully provide relevance in programs planned for the disadvantaged, the teacher must have both a clear understanding of the slum community and the ability to translate textbooks and other materials based on "middle class values" into learning experiences based on the needs of the disadvantaged learner. The teacher will be aided in this task by: (1) becoming familiar with the language of the disadvantaged learner, (2) using student examples and experiences as a basis for lesson content, (3) giving students direct experience wherever possible, or if not possible, simulated experiences, (4) encouraging social contact, and (5) making learning practical rather than theoretical.

Getting attention and interest. In light of the above statements, it is evident that traditional approaches to instruction fail to produce effective learning and that a different approach is needed. First, new ways must be found for getting the attention and interest of the students through use of their past experiences. Then these experiences must be integrated with what is taught. As this is done, the student can be guided to make other applications of the facts identified.

Because the disadvantaged learner is also a slow learner, programs must emphasize the important concepts and ideas, eliminating details, in order to provide time for adequate study of these basic ideas and concepts. Provision of varied activities relating to the same topic is necessary. This approach enables each individual to respond to the task in terms of his own level of perception, performance, and skill. In addition, learning for the disadvantaged student must be placed so that it moves from topic to topic and from lower to higher levels of understanding.

Varied activities. Use of varied activities is extremely important in working with the disadvantaged. Because of meager background, lack of experience, short attention spans, and poor work habits, many overt activities are needed to hold the attention of the disadvantaged adult. Effective methods for teaching the disadvantaged include the use of stories, dramatization, skits and role playing, observation, and interviewing. The tape recorder, if properly introduced, can be a device for holding attention. Pictures and drawings may be used to provide clues to meanings for disadvantaged learners. Other suggestions include under-the-door flyers, key word association, opinion polls, questionnaires, cartoons, discussion questions, case studies, problem situations, and dramatic stories.

Physical involvement. Methods which are effective for use with disadvantaged learners are usually those which may be used in an informal situation and do not outlast the learner's attention span. Successful methods require the learner to become physically involved and are simple and easy for him to understand. Some nonverbal elements, such as seeing or doing, and use of vocabulary and language structure which the disadvantaged can understand, are also recommended.

EVALUATIVE TECHNIQUES EFFECTIVE FOR USE WITH DISADVANTAGED ADULTS

Many adults who participate in the adult classes may not have been exposed to testing in a number of years. The disadvantaged person may feel threatened by tests, especially if he was relatively unsuccessful in his school experiences. Despite these difficulties, no teaching program can be evaluated fairly without some objective evidence upon which to base evaluation.

To effectively evaluate prcgrams for adults with limited incomes, the teacher might choose from the following suggested evaluation techniques:

Before Beginning a Course:

- Determine what other organizations and agencies are doing so duplication of efforts will be avoided.
- Discuss problems of a particular locale with persons who are already working in the area and who have dealt with or who have been confronted with specific problems.
- Conduct an interest inventory to determine possible program content.
- Use pre-tests to aid in course planning.

During Course:

- Have students help set own goals and objectives from a list which has been compiled on the basis of the interest inventory mentioned above. Include cognitive, affective, and psychomotor when applicable.
- Ask questions at beginning and end of each lesson to determine whether students can relate what is presented to their own situations and whether they are using what is presented. Such questions frequently begin with "how," "why."
- Use pre-tests such as discussion questions, games, check lists, or other informal forms of evaluation to aid in planning each unit.
- Use pictures and oral questioning when evaluating learning of slow readers and bilingual students.
- Check students' ability to transfer what is learned by having them solve problems of case study families.
- Use check lists, rating scales, inventories, questionnaires, attitude scales, observations, teacher logs, and other devices to check student growth toward class objectives.
- Use games, group work, and other activities to evaluate pupil learning.
- Encourage students to evaluate themselves by asking what they feel they have learned, what they are doing differently, how far they have progressed toward goals, and how much further they have to go.

Adapt some of the more traditional types of tests for use with the class, but do not call them tests, nor give grades. For example, meal planning through selection of mock-ups; or multiple choice from 4 fruits of the one which would be useful in preventing colds.

Observe how well students work together, how they divide into groups, and how freely they share experiences to evaluate the degree to which social barriers, especially in mixed ethnic groups, have been broken down.

Plan some type of evaluation to help students determine what they have gained at the end of a lesson, a unit, and/or the course. Again do not refer to this as a test.

After the Course:

Have the students evaluate the course through the use of a check list or rating scale categorized into such areas as content, activities, teaching procedures.

Conduct a follow-up interview with students to find out if they are using any of the ideas they gained from the class.

Contact other people who work with some of the students to learn about comments and responses students may have made as well as to gain evidence about whether students continued to make use of information gained.

MAKING AND USING VISUAL AIDS AND HANDOUTS

A number of suggestions for making and using visual aids and handouts have been made throughout the suggested lessons in this publication. The teacher should find the following suggestions helpful in preparing these materials.

Interchangeability

Visuals and handouts are important teaching aids for work with disadvantaged adults, as pointed out in earlier sections of the bulletin. However, teachers frequently lack equipment or materials for some types of visuals. Most of the ideas for visuals, therefore, may be used in several forms. For example, if an overhead projector is not available for showing transparencies, the masters might be used in an opaque projector and shown on a screen or wall. The opaque projector also could be used to blow up a master on poster board or white paper so that it may be traced and used as a poster, a bulletin board, or a flannel board. The ideas might be used on instant slides and shown with a slide projector or duplicated with ditto or mimeograph equipment and used as a handout. The teacher should feel free to use any form of media she desires for the visuals suggested in the lessons.

Important Pointers

Whether making visuals or handouts, the following pointers will be helpful. Color is an important attention-getter. An effort should be made to make visuals and handouts as colorful and attractive as possible. Color may be introduced to posters, flannel boards, and bulletin boards through the use of colorful backgrounds, use of color in designs and pictures, or use of colored lettering. Color may be added to transparencies to make them more appealing and the use of colored paper may make handouts more interesting.

When planning both visuals and handouts, the teacher must be conscious of the language level and reading ability of her students. Words used must be ones the students can read. If new words are introduced on a visual or handout, they should be defined or the idea might be represented pictorially so students will not feel frustrated in attempting to read the new words.

Pictures of real people, cartoons, and graphic illustrations may be used to make a point with or without the use of words. To help students identify with the situation more easily, pictures which are culturally appropriate should be used. Pictures made in the neighborhood may help students to identify with a situation.

When suggestions for visuals and handouts are enclosed in brackets in this bulletin, the ideas for these will be found immediately following that lesson.

Making Transparencies

A number of transparency masters are included in these materials. To make a transparency, a sheet of projection transparency film is placed on the master and run through a copying machine. Color may be added to the transparency by cutting color adhesive film to the shape desired and sticking on the transparency. Cartoons or drawings may be colored or statements on the transparency may be highlighted with different shapes of color adhesive film. Additional colors may be obtained by placing successive layers of color adhesive film over existing colors. Color may also be added to transparencies with grease pencils or felt-tipped markers or pens.

Making Instant Slides[1]

Several suggestions have been made in these lessons for using instant slides. These are a slide series that the teacher can do quickly herself.

These slides can be used in any 2" x 2" slide projector and cost less than $1 for twenty. The inside area of a 2" x 2" slide may differ. The most popular format is 127 (1-7/16" square, the largest available inside dimension). Other sizes are 1/2 frame 35 mm. (filmstrip size) and 120. Of these, all outside areas are the same, 2" x 2". Also, remember that most filmstrip projectors have a slide attachment.

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[1] Adapted from "Instant Slides" by Jeff Miller, Media Specialist, John H. Glenn Junior High School, San Angelo, Texas.

To make the instant slides:

(1) Run the master sheet through a transparency-making machine, as for transparencies.

(2) Cut each frame on the outside lines.

(3) Put each frame section in a #127 slide holder.

(4) Seal with hot iron. Professional slide sealers are available, or the teacher may borrow a sealing iron from the library.

(5) Color may be added if desired. Colored overhead pens will do small areas quickly and efficiently. Diazo can be used. Acetate such as 3M 888 will provide red, blue, or green images for materials copied. 3M Color Adhesive Film may be used to cover the entire slide.

Making Posters

Poster ideas are included for a number of lessons. The teacher should make posters as colorful as possible and keep them simple and attractive. Poster ideas included at the end of lessons give suggestions for materials needed, directions for making the posters, and diagrams of the completed visual.

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SECTION TWO: LESSONS FOR GROUPS

UNIT I--DECISION-MAKING
I-1. Family Values and Goals

OBJECTIVES:

To identify things which people value
To recognize and list own values
To identify goals and discuss why they are important to you
To set realistic short-term and long-term goals for own family
To distinguish relationship between values and goals
To select values which influenced a goal in a given example

VOCABULARY: Values Goals

Use the poster on values (center covered) [see p. 25] as a basis for the following discussion.

These are some things that are important to people; things that guide us to do the things we do or make the choices we do. For example, if recreation is more important to someone than health, money might be spent for a movie or gas to go somewhere instead of for a visit to the dentist or foods that are more nutritious than others but also more expensive, such as fruits. Give other examples of ways in which values affect choices which are made. Encourage students to give examples, too.

Uncover center of poster and define things that are important to people and that influence the way they spend their money as values.

What are some other values that might be important to people?
Which of these are most important to you? to your family?
Do all the members of your family agree on what are the most important values?
What values are illustrated in the following example? Use Families and Their Values [see p. 26].
What seem to be the values for each of the families?
Are they about the same or different?
Show and discuss the cartoon [see p. 27].

Think of one thing you would like to work toward buying this month. Think of something you would like to buy this year. These items can be called goals: something toward which one works. They can be divided into long-term and short-term goals.

A poster titled Goals may be divided into two columns labeled long-term and short-term to illustrate the differences in these goals. Pictures of houses, cars, washing machines, etc. could be placed in the long-term column and pictures of clothing, shoes, a movie ticket, donations, etc. could be placed in the short-term column.

There is a relationship between values and goals. Our values determine our spending goals (what we use our money to buy). The goals we are working for affect our spending for other things, too. Use the following chart on a poster or on the blackboard and let the class add other goals for each of these values, as possible effects on spending are discussed.

Values	Goals	Spending
Home	Down payment on house	Reduce other expenses
	Furniture	Go without new clothes
Health	Regular visits to doctor and dentist	Buy black and white instead of color TV
	Health insurance	Go without new furniture
Family	Money for birthday present for child	Father goes without haircut to provide
Education	Funds for school supplies	Mother works to provide this
	Money for father to go to night school to get diploma	Drive old car another year
Security	Life insurance	Reduce recreation expenses

Read and discuss the following:

Ben and Sarah needed a car so Ben could save time in getting to work, and thus, have more time at home. Ben and Sarah decided they had been spending too much money on clothing, expensive toys for the children, cokes, movies, magazines, records, and other things that were not really necessary. They decided to do without these things and save the money so they could buy a good used car.

What did Ben and Sarah value?
What goal did they set?
How did this change their spending patterns?

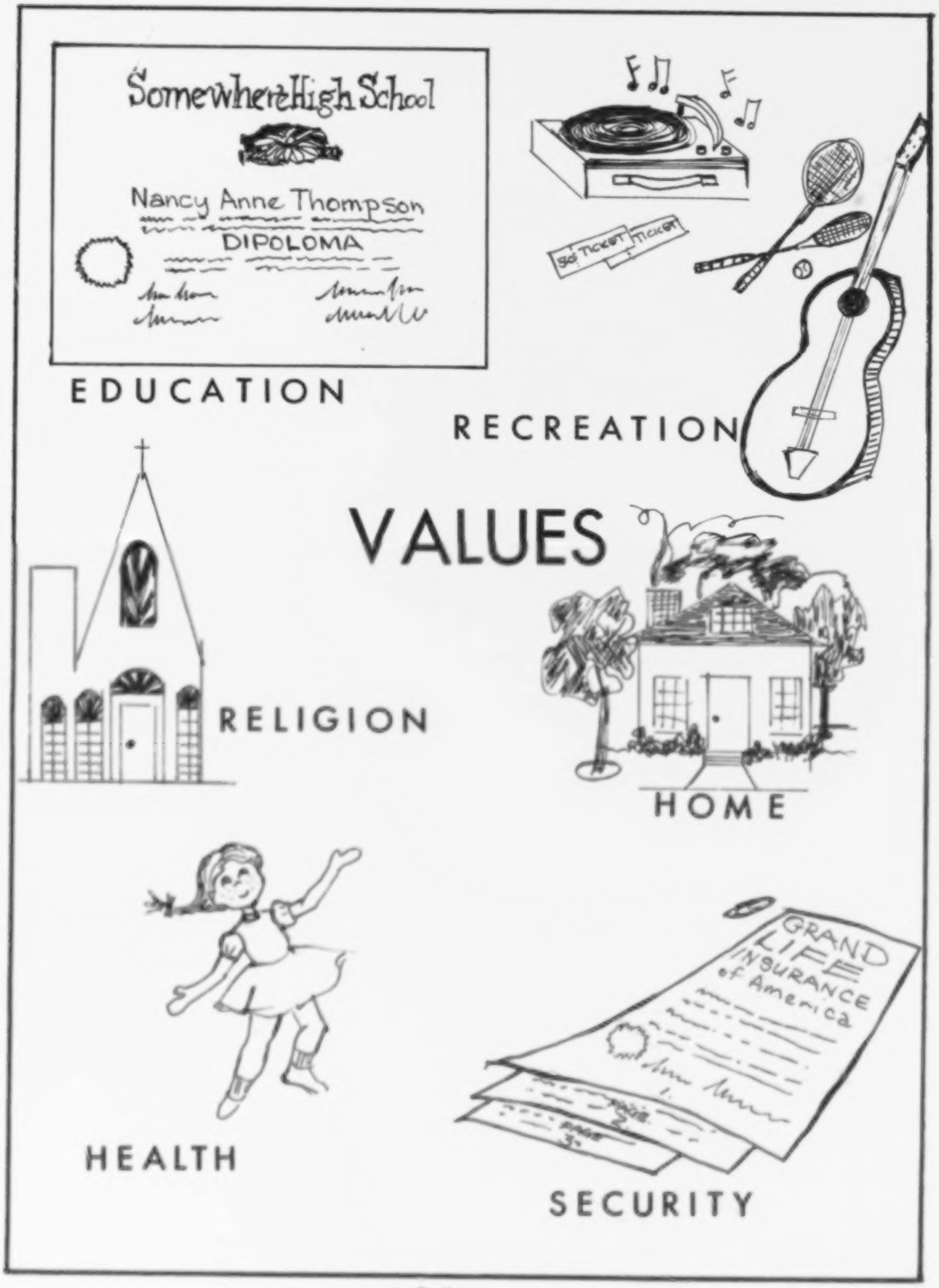
Goals which families and/or individuals set should be realistic. Use the cartoon [see p. 28] to discuss goals which might be unrealistic when resources are limited.

APPLICATION: Ask each class member to list values held by herself and members of her family.
Ask each class member to set some long-term and short-term goals for family spending which are based on the values they listed previously.

KEY IDEAS: The importance of a value differs from one person to another and in different situations.
Values are things that are important to people and that influence their actions.

Values are the things that are important to individuals and influence the way money is spent.
Values help to determine goals.
Goals are something toward which one works and may be either short-term or long-term.
Family goals affect the way in which families spend their money.
When goals are realistic, they are more likely to be met.

POSTER


Somewhere High School
Nancy Anne Thompson
DIPOLOMA
TICKET
TICKET
GRAND LIFE INSURANCE of America
PAGE 2
PAGE 3

VALUES

EDUCATION

RECREATION

RELIGION

HOME

HEALTH

SECURITY

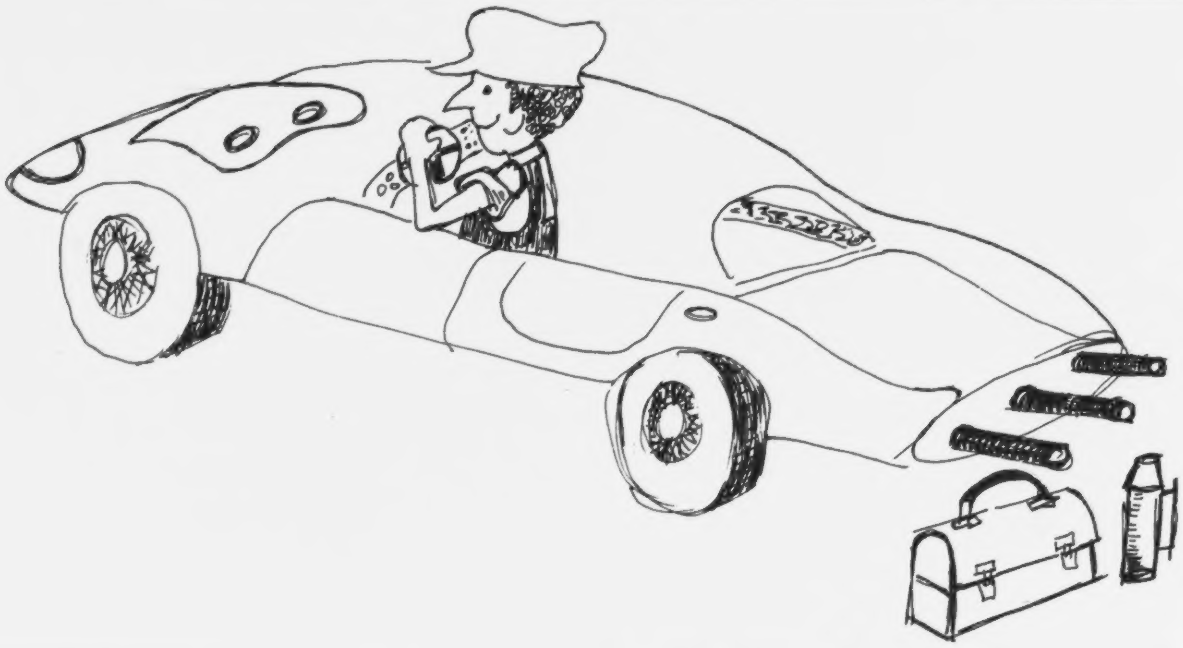
FAMILIES AND THEIR VALUES

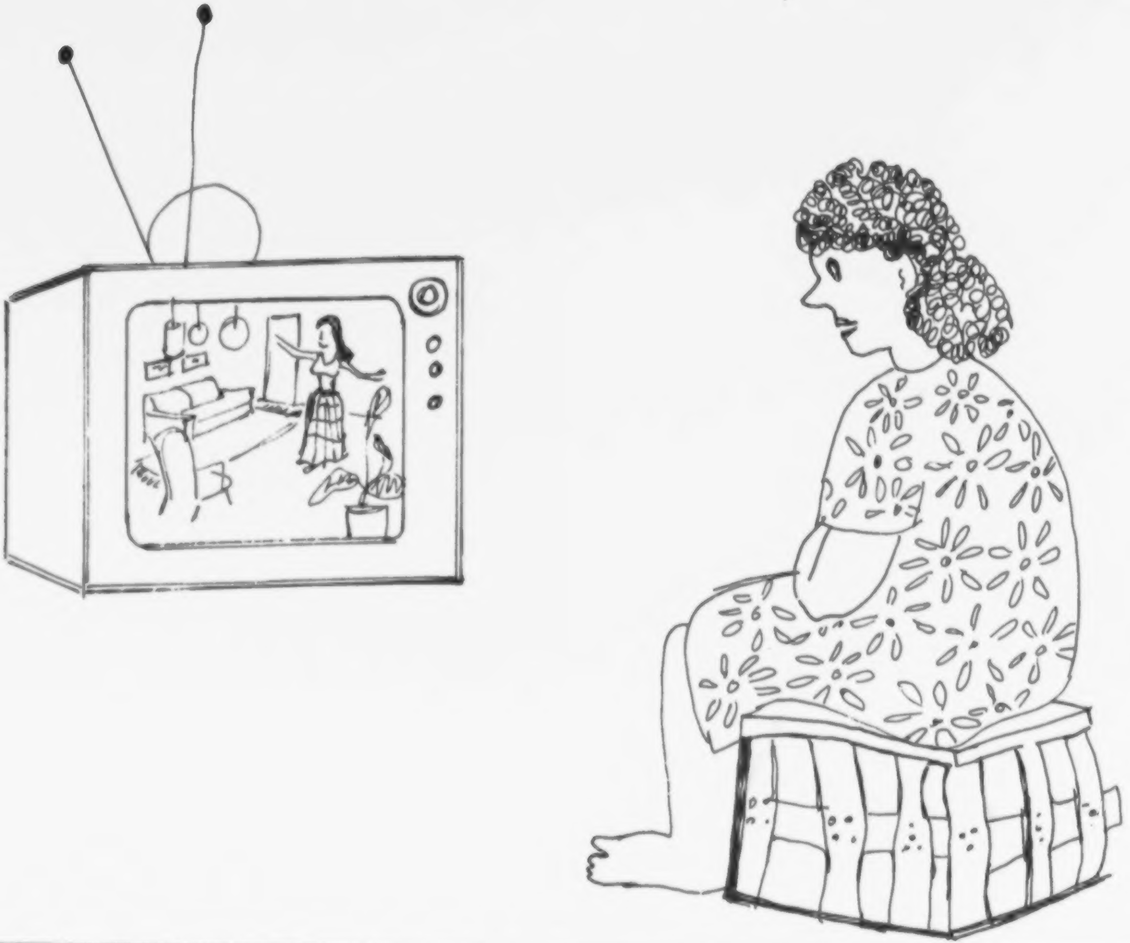
The Garden Grove Housing Units are located in the northern part of a middle sized city in Texas. Three families, the Browns, the Allens, and the Martins, all live in this unit and have approximately the same incomes. Their housing and food expenses are similar. However, their other expenses vary considerably.

The Browns own a color TV set, often go for short drives on the weekends, and attend many football and basketball games. Jimmy Brown has poor teeth but there seldom seems to be enough money for dental bills. The family seldom buys any furnishings for the home and they have no savings.

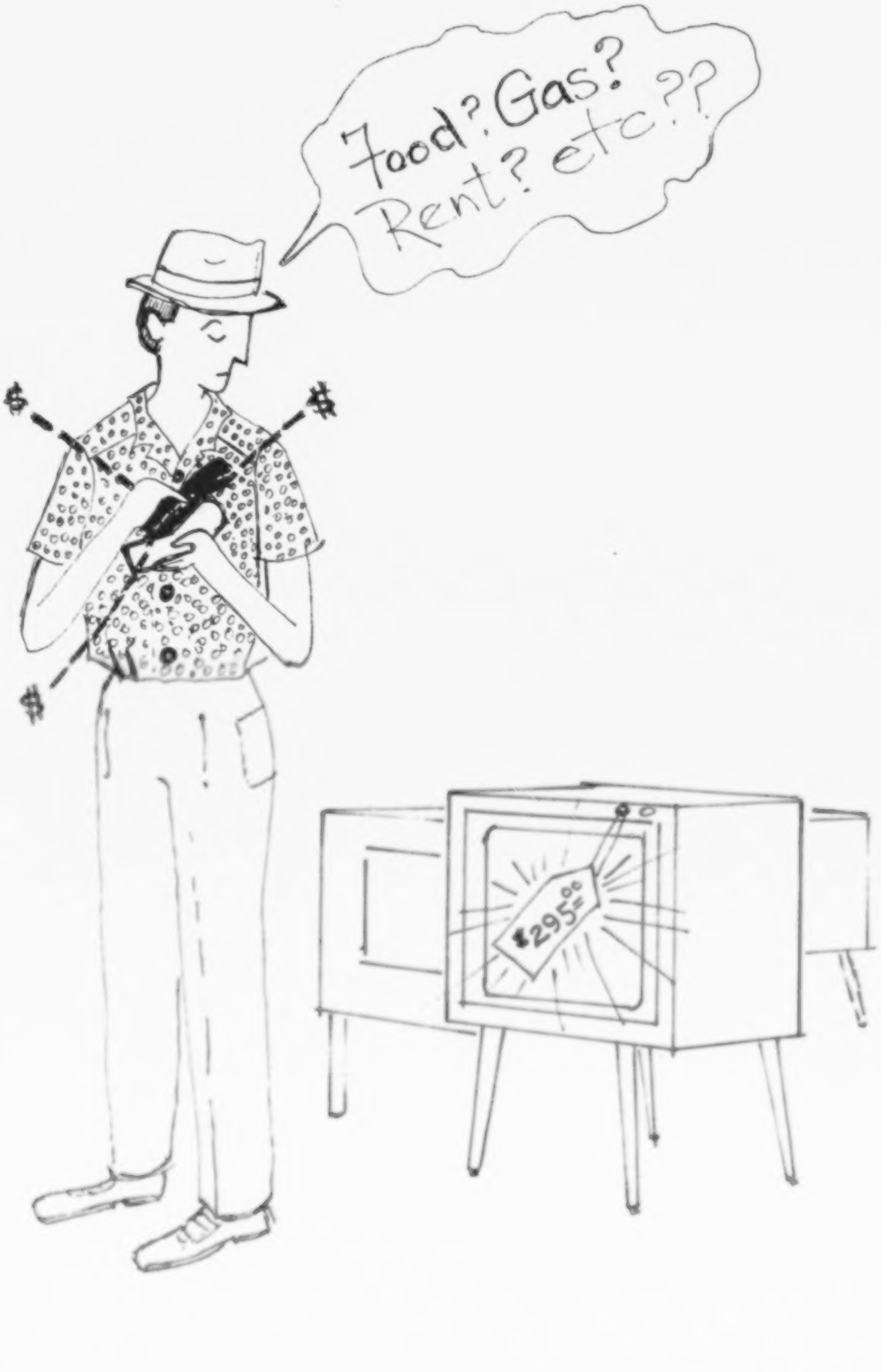
The Allens have a small savings account to which they try to add money monthly so their son can go to a vocational school to study auto mechanics when he finishes high school. They are now buying a set of reference books on the installment plan for the younger children in the family. They have a black and white TV set and spend many evenings watching TV programs. Mrs. Allen would like a new rug, but at the present they cannot afford one.

The Martins like to fix things, so they spend a great deal of time refinishing inexpensive pieces of furniture and have just finished painting their apartment. Their most recent purchase was a new chair for the living room. Susie Martin wants a new dress for the next school dance, so the family is trying to figure out how they can afford this. After they make their contribution to the church this week, there will be little money left until the next paycheck.





People have different ideas about what is important.



Food? Gas?
Rent? etc.??
$295.00
$
$
$

UNIT I--DECISION-MAKING
I-2. Family Needs and Wants

OBJECTIVES:

To distinguish between needs and wants
To identify the steps in the family life cycle
To select items most needed by families at different stages of the family life cycle
To analyze the relationship between family and individual needs and wants in given situations
To consider needs and wants of own family

VOCABULARY: Needs Wants Family life cycle

We spend our money in many different ways. Some of the things we buy are items our families must have in order to live and to carry out daily activities, such as food to eat and clothes to wear to work. These things are called needs. Other things we spend money for are items we would like to have and which we think will make life more enjoyable, such as tickets for movies or sports events, or radios. These items are called wants.

Distribute the pictures prepared for use with flannel board [see p. 31]. Ask students to look at their pictures and decide whether they are needs or wants for most families and then place them on the flannel board. Let all students place pictures on flannel board at once to avoid any embarrassment. After the items are in place, ask:

Would you agree with the placement of the items?
What are the main needs of most families?
Are there others not shown here?
Do you think the needs of all members of this class are the same? Why or why not?

Our needs differ somewhat from one family to another depending on size of family, age and health of family members, and other family circumstances. For example, a family with a car would not need money for bus fare to get to work. A family with a child in poor health would need more money for doctor bills than a family with healthy children. A family with only one child would not need a three bedroom house, but a larger family would.

Another thing that causes needs to be different from time to time in the same family is the stage in the family life cycle. For example, a family with a baby has different needs than a family with teen-agers.

Use transparencies on the family life cycle [see pp. 32-33] to explain each stage.

Beginning:	Composed of the newly married couple and lasts until the birth of the first child
Expanding:	Includes the childbearing, preschool, and grade-school years, and lasts until the oldest child reaches adolescence

Launching: Begins when the first child reaches adolescence and ends with the marriage of the last child
Middle Age: Consists of husband and wife
Old Age: Begins with retirement of husband

Your family may be in more than one stage of the family life cycle at the same time. For example, if your family is large it might be in the expanding and launching stages at the same time. Some families never have children, so they would not follow this pattern. Some people marry persons who have been married before and who may already have children from a previous marriage. Thus they may skip the beginning stage. However, despite the fact that these stages do not fit all families, they do fit many families, so it provides a useful way to look at family spending.

Ask students to place pictures of families representing each stage on the left side of a flannel board [see p. 35].

Hold up pictures or words of the items listed in the right hand column of the flannel board and ask:

> At what stage(s) of the family life cycle would this probably be most necessary?
> Or when would the amount of money spent for this be highest?

Summarize, using transparency [see p. 34].

Most families find that they must make choices about what they spend their money for. It is a good idea to set aside money to take care of family needs first. Then, if there is money left over, it can be used for things the family wants. Sometimes members of the family want different things and a choice must be made. When this happens, wants which will benefit the entire family may need to come before wants of an individual in the family.

Divide class into small groups and distribute unfinished stories [see p. 36] to each group or read stories to entire group. Ask them to:

1) identify the needs
2) identify the wants
3) decide how the money should be spent
4) give reasons for their decision
5) tell what other choices might the family have

APPLICATION: Ask class members to make a list of their family's needs and wants which involve money. Ask them to put first the items they think are most important and then discuss with their family and see if they agree.

KEY IDEAS: Family needs and wants vary from one family to another.
Family needs and wants change with the stages in the family life cycle.
Family needs and wants often take priority over individual needs and wants.

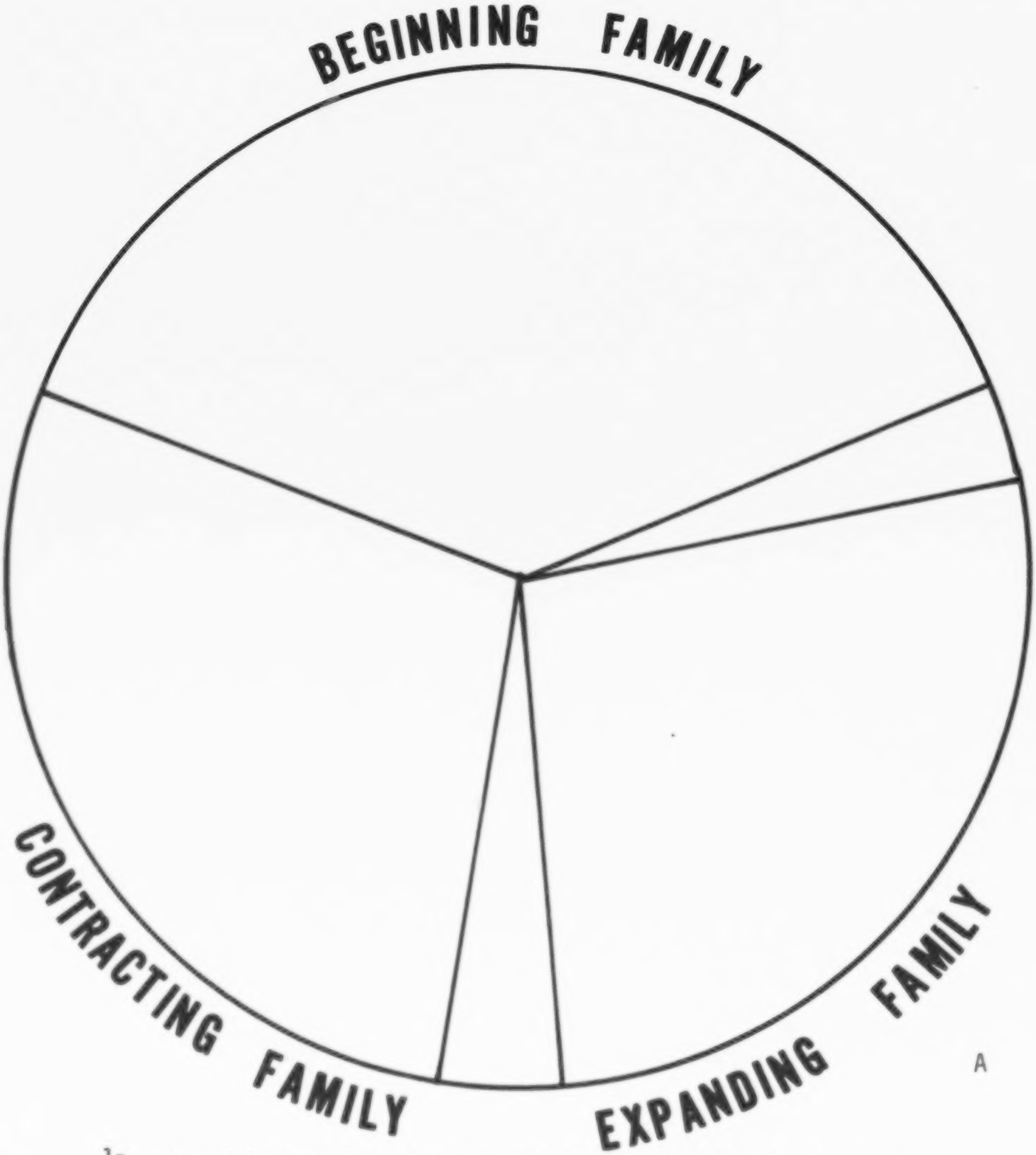
FLANNEL BOARD

Needs and Wants

Directions: Find or sketch illustrations of the items listed below or similar items, and put some flannel on the back of each one. Keep these to distribute to class members. Prepare a flannel board and put the words "Needs" and "Wants" on the board.

NEEDS	WANTS
Clothing	TV set
Food	Dressy dress
Rent or house payments	Tape deck for car
Electricity	Wig
Medical care	Fancy hub caps on car
School supplies	Camera
Automobile expenses or bus fare	Electric can opener
Laundry	Dressy sweater
Furniture (table, chairs, bed, sofa)	Guns
Insurance payments	Fishing equipment

FAMILY LIFE CYCLE [1]


BEGINNING FAMILY
CONTRACTING FAMILY
EXPANDING FAMILY

A

---

[1] Reprinted by permission from Vocational Education Media Center, Clemson University and Office of Vocational Education, State Department of Education, Columbia, South Carolina.

CHARACTERISTICS OF EACH STAGE

Period of Establishment
Starting to Furnish a Home

Childbearing

Time: 1–5 yrs.
of Marriage

Children Marry
and /or Establish
Themselves Vocationally
Parents Retire

Time: 30 yrs. and
over of
Marriage

Grade School
High School

College

Time: 5–30 yrs.

of Marriage

B

MAJOR EXPENSES OF EACH STAGE

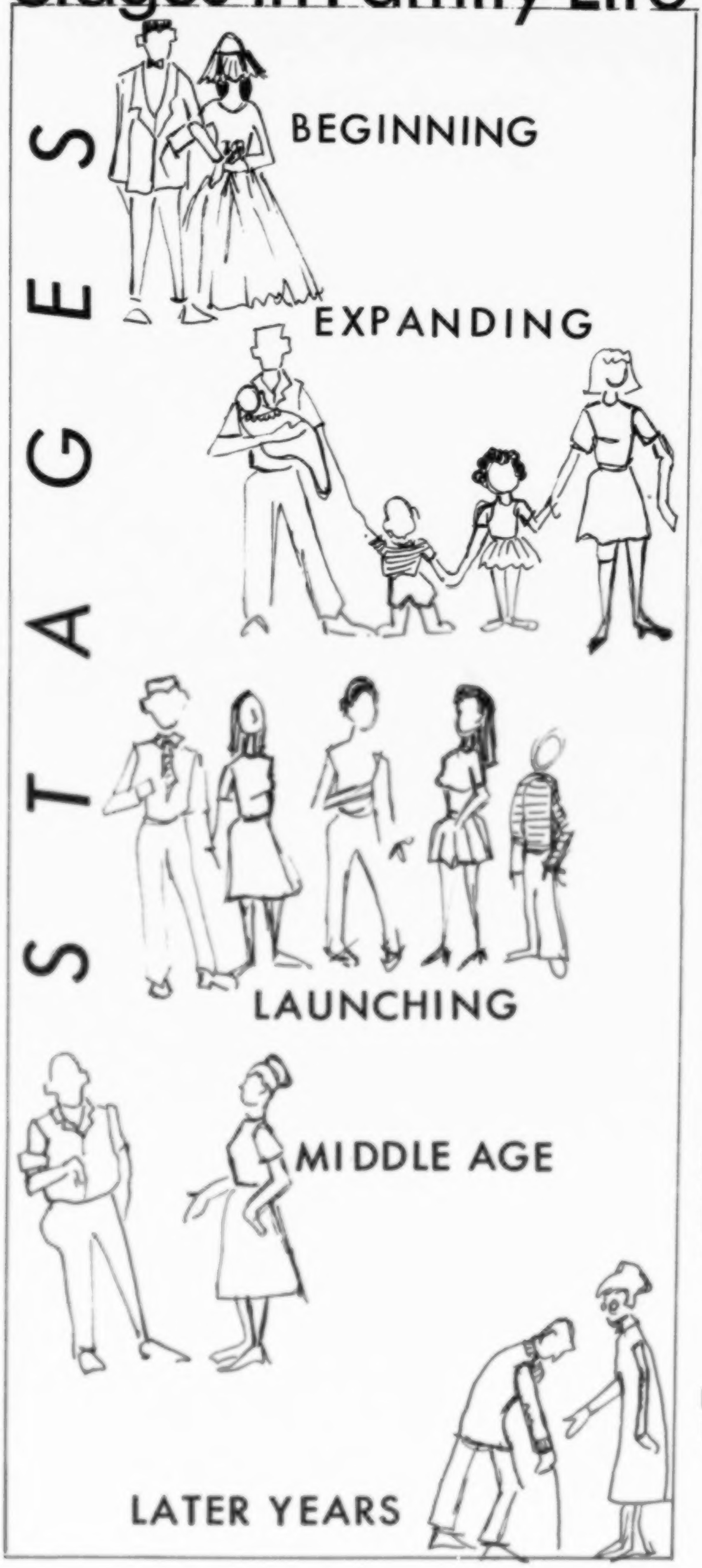
A Place to Live
Furniture
Childbirth

Medical Expense
General Living Expense
Home Maintenance

School Expenses
Clothing for Children
College Expenses
Buying a Home

C

Stages in Family Life Cycle


STAGES
BEGINNING
EXPANDING
LAUNCHING
MIDDLE AGE
LATER YEARS

Furniture
Household utensils
Silverware
Dishes

Baby bed
Medical expenses
Maternity clothes
Play equipment
Furniture
House or larger apartment
Children's clothing
Food
School supplies
Insurance premiums

Education expenses
Clothing
Food
Wedding expenses

Medical expenses
Care of parents
Replace household items
Insurance premiums

Medical care
Funerals

UNFINISHED STORIES

The Kings

Mr. and Mrs. King and their five children live in an apartment complex. The children are 5, 7, 10, 12, and 15 years of age. Mrs. King does the laundry at the laundromat because they do not own a washing machine. The laundromat is a mile from their apartment and the only time she can have the car to do the laundry is after Mr. King gets home from work at 6:00. She needs to be home with the children in the evening because Mr. King is too tired to look after them, so the family has decided to save money for a down payment on a washing machine. They now have $75.00 saved and plan to start looking for washing machines. Yesterday, however, Jim, age 12, asked for a new baseball and bat, which cost $12.00, for the neighborhood group he plays with. Julie, age 15, saw a skirt and sweater for $15.00 in the store window that she wanted. The only extra money the family has this month is the $75 saved for the washing machine. What should they do?

The Gregorys

Mr. and Mrs. Gregory have three children, ages 10, 13, and 15. The family has talked about getting a new TV set since the one they have does not work very well. The entire family likes to watch TV and Mr. Gregory and Dave, his 13-year-old son, especially like the sports events. Connie, the 15-year-old, has decided she wants a wig and has asked for the money. Bruce, the 10-year-old, is supposed to have tennis shoes for his gym class. He also has asked his parents for a new bicycle. The school nurse has said Dave needs glasses as he has trouble seeing the blackboard. After figuring their essential expenses for the month (food, rent, etc.), the Gregorys have $20 left. What should they do with it? In what order might the above items be purchased?

UNIT I: DECISION-MAKING
I-3. Family Resources

OBJECTIVES:

- To recognize resources available for meeting needs and wants
- To list own resources
- To identify resources available in largest quantities at different family life stages
- To be able to suggest resources or combinations of resources to use in various situations

VOCABULARY: Human resources   Material resources

In our last session, we identified some of our needs and wants. In order to meet these needs and wants we use our resources. Different families have different resources, but wise use of them can help any family to make their money go further.

There are two types of resources: human and material. Use transparency [see pp. 40-41]. Included in human resources are knowledge of management skills, do-it-yourself projects, children's contributions, neighbors' help, community services, and care and repair of possessions. Discuss each resource in detail and suggest ways in which resources can supplement one another. Refer to chart on family life cycles from previous lesson. For example, if the homemaker's energy is limited, other family members could help with preparing meals so the family would be fed without eating out. Resources may also be combined to meet needs and wants.

Time:	When in the family life cycle does a homemaker have the most time? (Beginning, if she does not work, and old age) How could she spend her time to acquire or increase other resources? (Seek employment, learn to sew, learn to shop wisely, make accessories for home, etc.) When does the homemaker have the least time? (Expanding) What resources might be used instead of time when it is limited? (Children's help, ability to manage, knowledge about when and where to shop)
Energy:	When in the family life cycle does a homemaker probably have the most energy? (Beginning, expanding) the least? (Old-age) What resources might be used to conserve energy? (Services, money, knowledge of management skills) How could other family members help?
Skills:	What skills might help a family save money? (Fixing and repairing household items; repairing, altering, and mending clothing; food preparation skills; housekeeping skills)

Knowledge:	How could knowledge help a family save money? (Planning of purchases, wise buying practices, proper use and care of durable goods) How could knowledge help a family save time and energy? (Efficient scheduling of activities) Make the best of resources? (Wise buying practices)
Purchasing power:	How is purchasing power affected by the other resources? (Little time to shop or little energy may cause one not to make best buy; limited knowledge about credit and limited shopping skills may result in poor buys)
Available goods and services:	What goods do families buy in order to save time and money? What services might a family use to save money? time and energy?

Let each class member draw from a hat a picture of something a family might want or need. Ask class members to think of ways the items might be obtained without the use of money or at a reduced cost because other resources were used.

Sometimes different forms or combinations of resources can be used to meet the same need or want. For example, suppose your daughter needed a dress to wear to a school party. The following resources or combinations of resources might be possibilities:

Money--buy the dress
Time, skill, and money--make the dress
Time, skill--alter her sister's dress
Time and services--ask a neighbor who sews to make the dress and offer to do something for her in return

In all four situations, the want is satisfied, i.e., the girl has a dress to wear. Thus, different resources or combinations of resources can be used to reach the same goal.

Divide class into small groups and give each group one of the situations listed below in which a need or want is to be satisfied and let them suggest different resources which could be used:

Food and gifts for a birthday party for a child in the family
Transportation to work
An extra chair for the living room

Show instant slides [see p. 42] or make sketches of ways in which use of skills can be a resource and reduce the amount of material resources necessary.

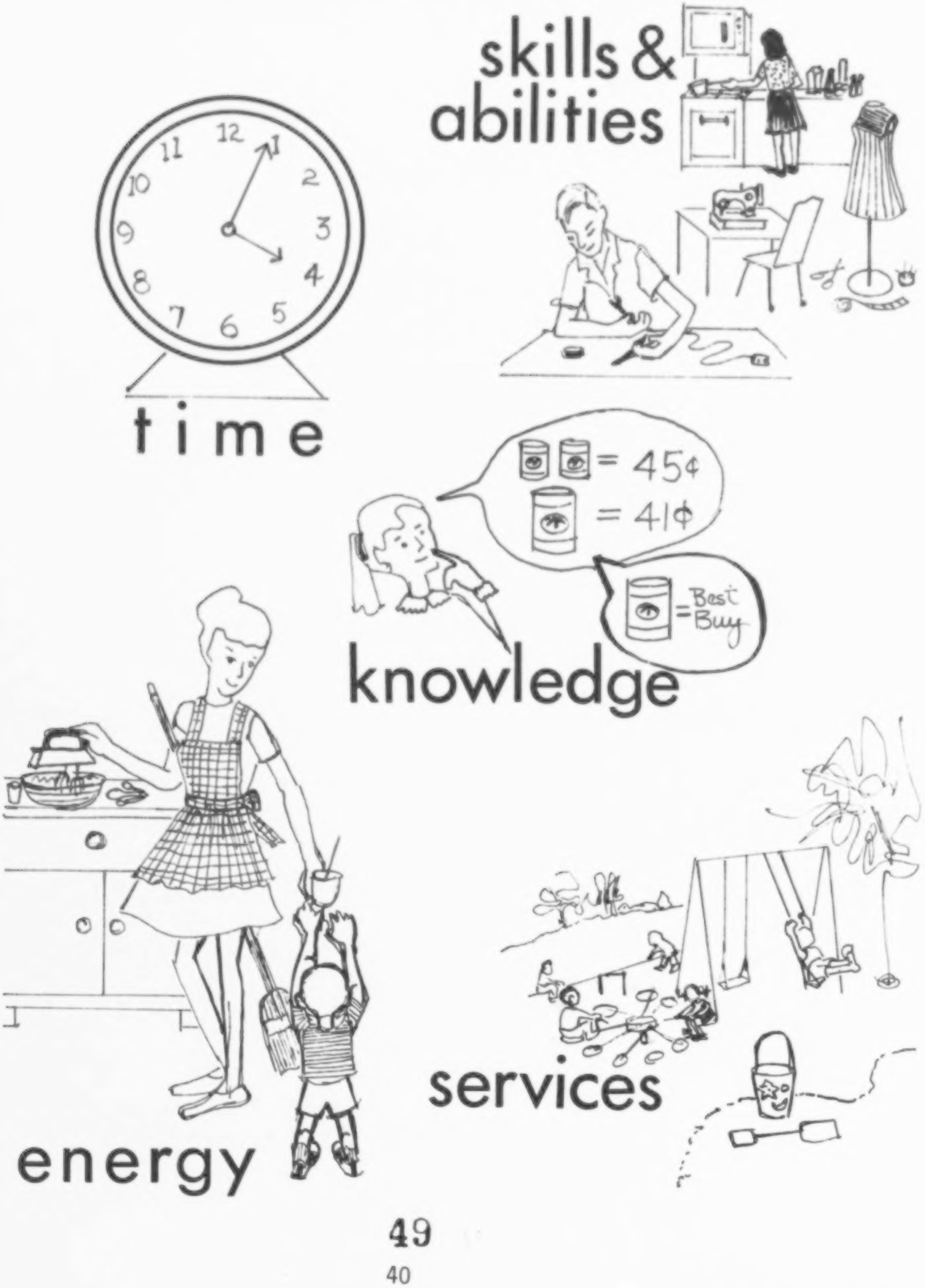
APPLICATION: Use the sheet entitled Our Family Resources [see p. 43], and ask class members to identify their resources.

KEY IDEAS:

Both human and material resources can be used to meet family needs and wants.
The resources available to families vary with the family and situation.
Resources which are available change with the stage in the family life cycle.
Development of skills may increase a family's resources.
Different forms or combinations of resources may be used to satisfy a need or want.

RESOURCES

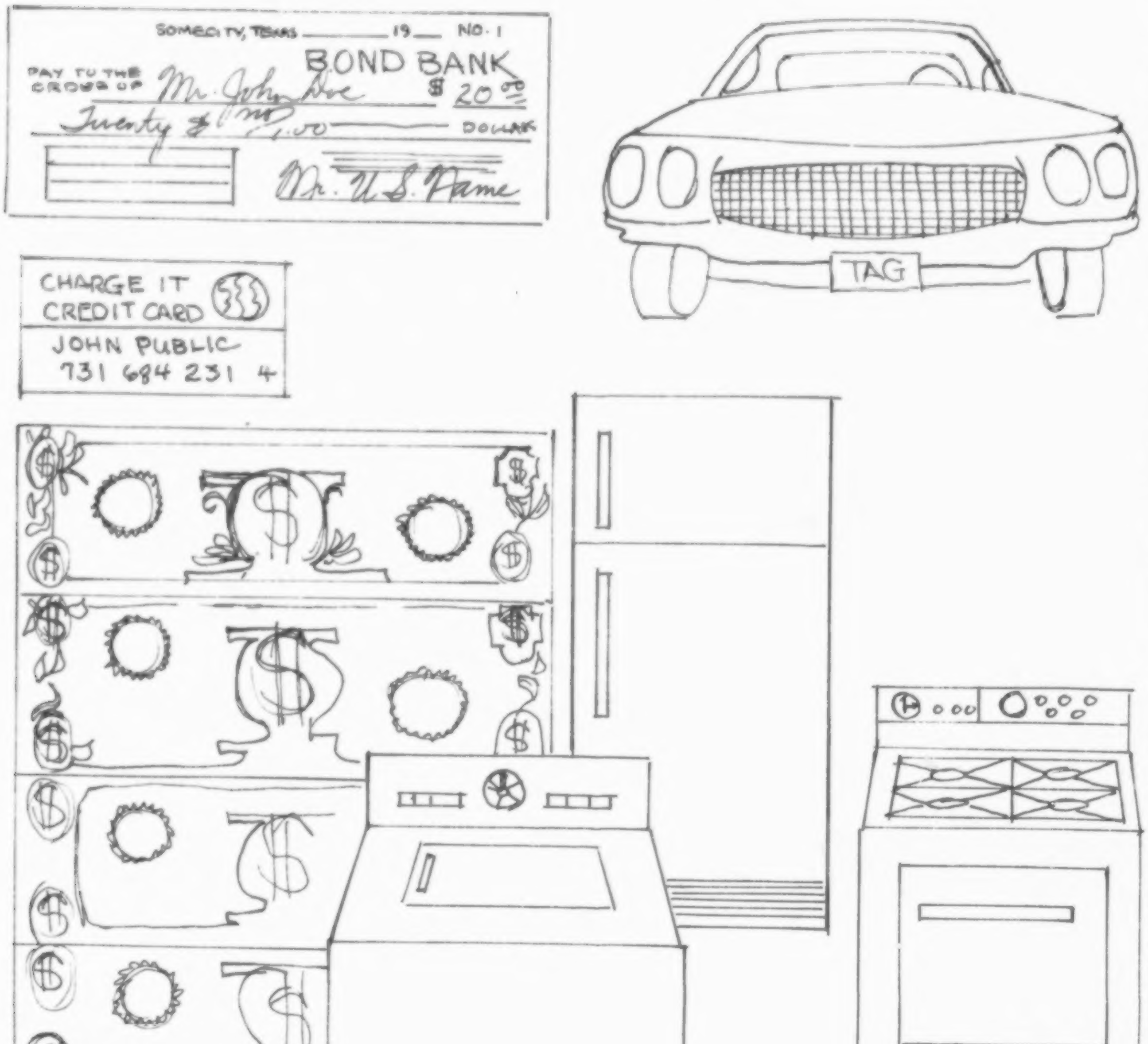
Human Resources

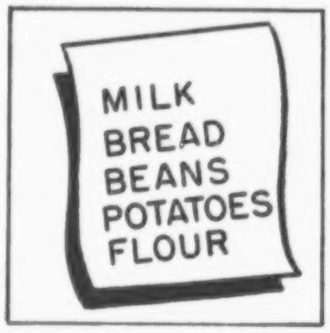

skills & abilities
time
= 45¢
= 41¢
= Best Buy
knowledge
energy
services

MATERIAL RESOURCES

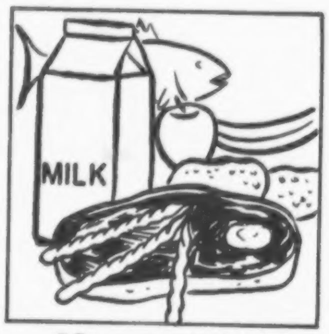
Purchasing Power

Available Goods and Services

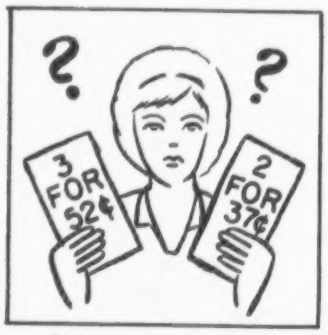

SOMECITY, TEXAS 19 NO. 1
BOND BANK
PAY TO THE ORDER OF Mr. John Doe $ 20.00
Twenty & no/100 DOLLARS
Mr. U.S. Name
CHARGE IT CREDIT CARD
JOHN PUBLIC
731 684 231 4
TAG
LAUNDRY
CLEANERS


MILK
BREAD
BEANS
POTATOES
FLOUR

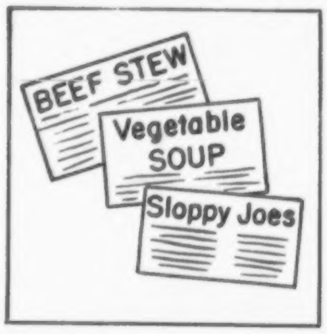
1. Make a list



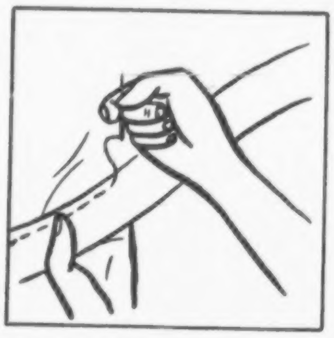
2. Plan nutritious meals


?
?
3 FOR 52¢
2 FOR 37¢

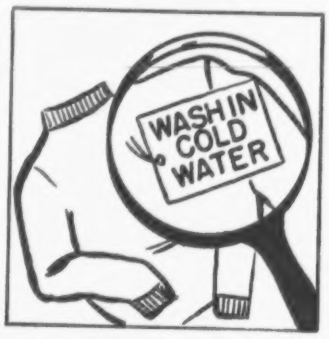
3. Buy at lowest cost


BEEF STEW
Vegetable SOUP
Sloppy Joes

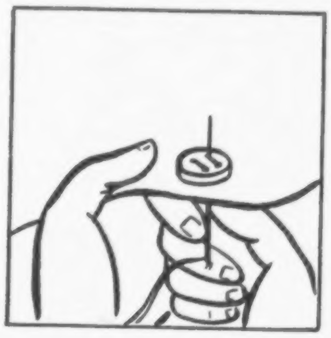
4. Prepare inexpensive foods



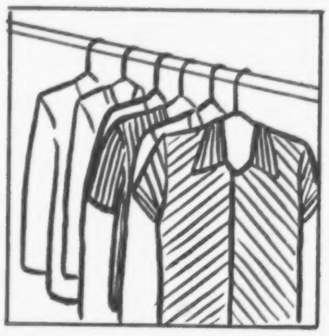
5. Learn to make alterations


WASH IN COLD WATER

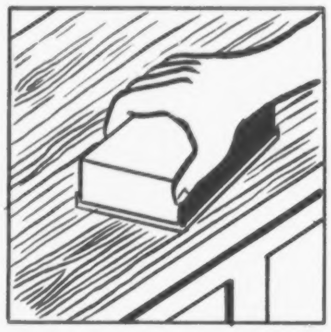
6. Read labels and follow instructions



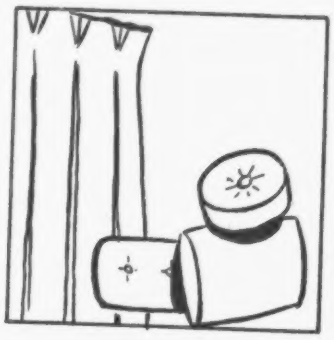
7. Mend clothes promptly



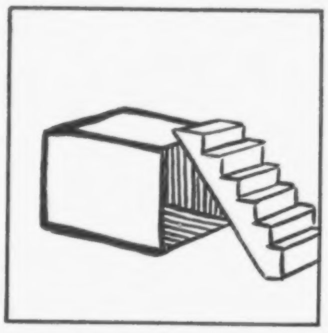
8. Press and store clothing properly



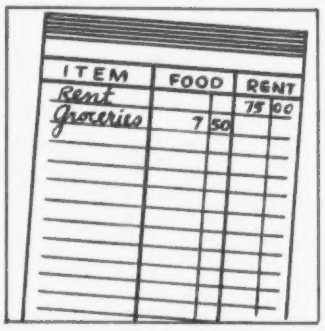
9. Learn to refinish furniture



10. Learn to make accessories



11. Make toys for children


ITEM
FOOD
RENT
Rent
75 00
Groceries
7 50

12. Keep a record of expenses

OUR FAMILY RESOURCES

Directions: Circle resources your family has and write down any special ones under each that you consider important.

MONEY
  Income
  Social Security
  Welfare assistance
  Unemployment benefits
  Disability insurance
  Veterans benefits
  Savings

CREDIT

INSURANCE
  Life
  Health

TIME

ENERGY

KNOWLEDGE

INTERESTS

ABILITIES

SKILLS

COMMUNITY RESOURCES

UNIT I: DECISION-MAKING
I-4. Family Decisions

OBJECTIVES:

To define decision-making process
To apply decision-making process in a specific situation
To analyze factors which influence decisions
To recognize the effect of financial decisions
To dramatize cause and effect relationship of financial decisions on family harmony

VOCABULARY: Decision-making

There are many factors involved in making decisions as a family. What are some of the things we've discussed in previous lessons which would affect the decisions a family makes about spending money? (Values, goals, needs, wants, stage in family life cycle, family resources)

Use the game [see p. 47] to help class members analyze the choices or decisions they would make. As you move from group to group while they are using the game, help class members see the relationship between values, needs, wants, and family resources and the decisions that are made about what to buy. Point out also that recognizing one's values and setting goals can help one plan spending so that those goals are met. If you feel class members would prefer not to reveal their decisions to the group, another alternative would be to arrange the cards in certain sequences yourself and then discuss the implications of these arrangements with the class.

Use the cartoons [see p. 48] to begin discussion on importance of co-operation between family members when planning how to spend money. Ask what they think is happening in each of the cartoons and what effect this would have on family relationships. Use the second cartoon to illustrate the idea that making financial decisions as a family can help to avoid the unhappy situations shown in the first cartoon.

Use skits 1 and 2 [see p. 49] on family decision-making. After both skits have been given, begin the discussion with such questions as:

In the first situation how did the family make decisions about their spending? What was the result?
How did the family make decisions in the second situation? What was the result?
What connection does there seem to be between the way decisions are made about spending and the way family members get along?

Families and individuals have different ways of living with or handling their money. Although no one way is right for all persons, there are some ways that give more satisfactory results than others. The result we aim for is to be able to reach family goals with the resources which are available.

Think about some of the ways people live with money:

Live from day to day--When we have money we spend it and then get along as best we can until we have some again.
Live from paycheck to paycheck--We use up all the money as we get it and by the next payday have nothing left, nothing to show for the money, and nothing that brings us closer to our goals.
Live "in the red"-----We spend more than we have by purchasing too many things on credit.
Live creatively-------We plan the use of our income and resources so most of our goals can be met.

Decisions are:

universal--Everyone makes decisions about how to spend money. Use transparency [see p. 51].
interrelated--One decision affects another, i.e., if one decides to make payments on a TV, he has decided to give up other things he could have bought with that money. Use transparency--Part A [see p. 52]. Once a decision is made, it sets in motion a chain reaction of further decisions. Use transparency--Part B [see p. 52]. Once a decision is made, many other smaller decisions must be made to carry it out. Use transparency--Part C [see p. 52].
personal---Decisions that are right for one family are not necessarily right for another family. Use transparency [see p. 53].

We have said that "living creatively" with one's money meant that the use of income and resources was planned so goals could be met. This involves making decisions which are well thought through in regard to the way the money is to be spent. This process of careful decision-making is important if family goals are to be reached with the resources which are available. The steps in the logical decision-making process are as follows: Use the ideas shown on the poster or transparency [see p. 54] to show the steps in the decision-making process. Go through the decision-making process with the story, The Ross Family Makes a Decision [see p. 55].

We talked earlier about the ways people live with money. Let's go back to this for a few minutes. How do you think the Rosses live with money? (Live creatively)

Some people live from day to day. They may never identify their problems, their values, or their goals. They may not consider the possible solutions to their problems or make the best use of their resources. They may not look forward to see what might be the outcome of their spending. And it is doubtful that they stop to evaluate the results of their day-to-day spending.

We also talked about people who live from paycheck to paycheck. These people get little more from their money than the first group and make many of the same mistakes in their decision-making.

The third type family lives "in the red." It is probable that they wouldn't be in debt all the time if they identified their values, set goals, and decided which goals were most important to them. They might also ask themselves whether they are making the best possible use of their resources.

Remember--the way your family makes decisions helps to determine which of these four ways you will live with your money. Wouldn't you rather your family lived creatively with its money?

APPLICATION: Think of a decision that you have made in each of the following areas in the past week: money, time, and energy. Determine how you made your decision. What factors helped you make this decision? Are you satisfied with your decision? Are other family members satisfied with your decision?

KEY IDEAS: There are many ways of using money; some are more satisfying than others.
Use of money is effective when goals are reached.
All people have choices to make about spending their money.
One choice affects other choices which can be made.
"Logical" decision-making includes planning, carrying out the plan, and evaluation of the plan.
Family decisions about spending are influenced by values, goals, needs, wants, stage in family life cycle, and family resources.
Decisions regarding the use of family income affect family harmony.

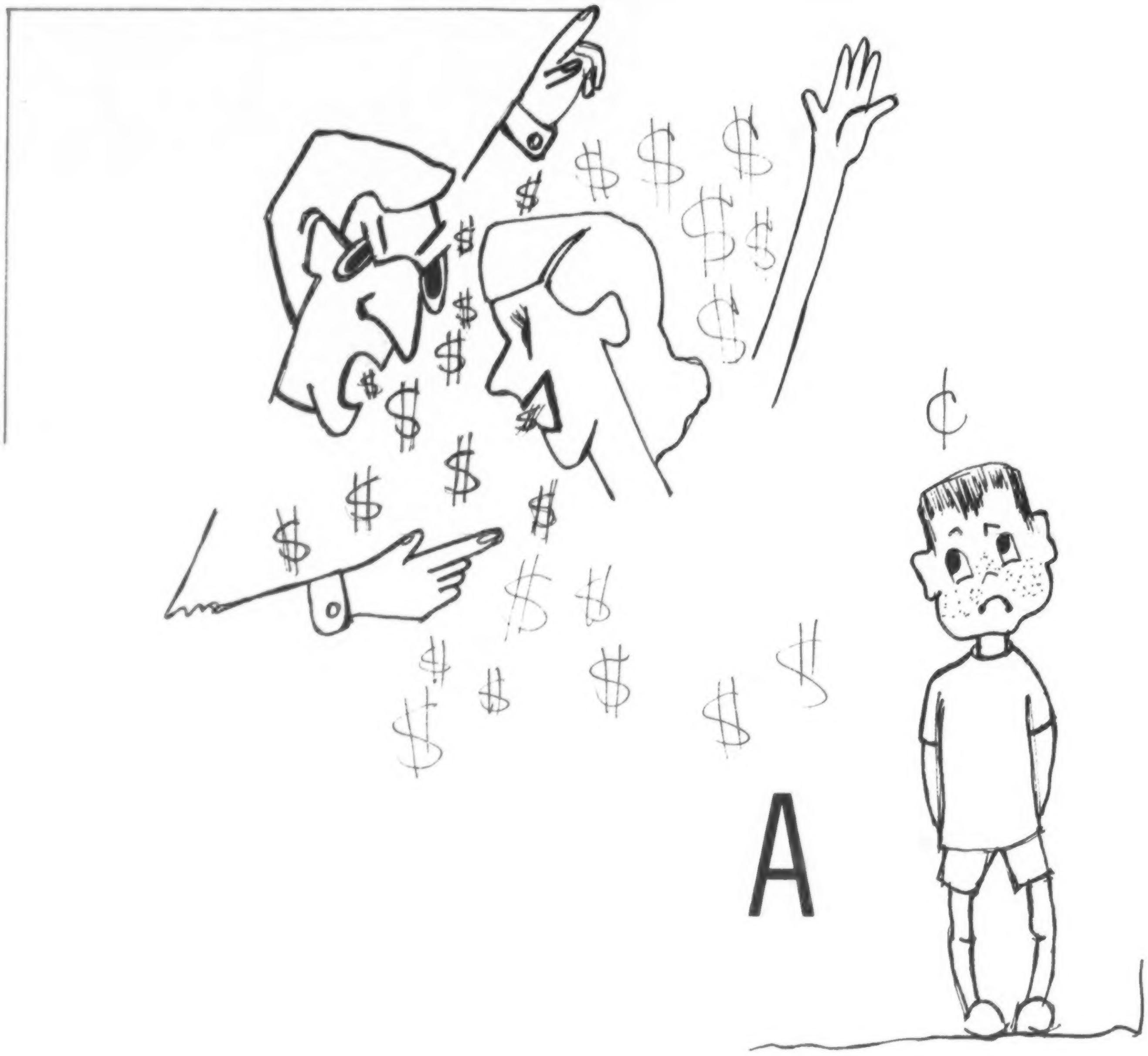
YOUR CHOICE

Prepare cards for use in game by cutting out pictures from magazines or sketching items or writing the words of items class members might want to buy. The following items could be included:

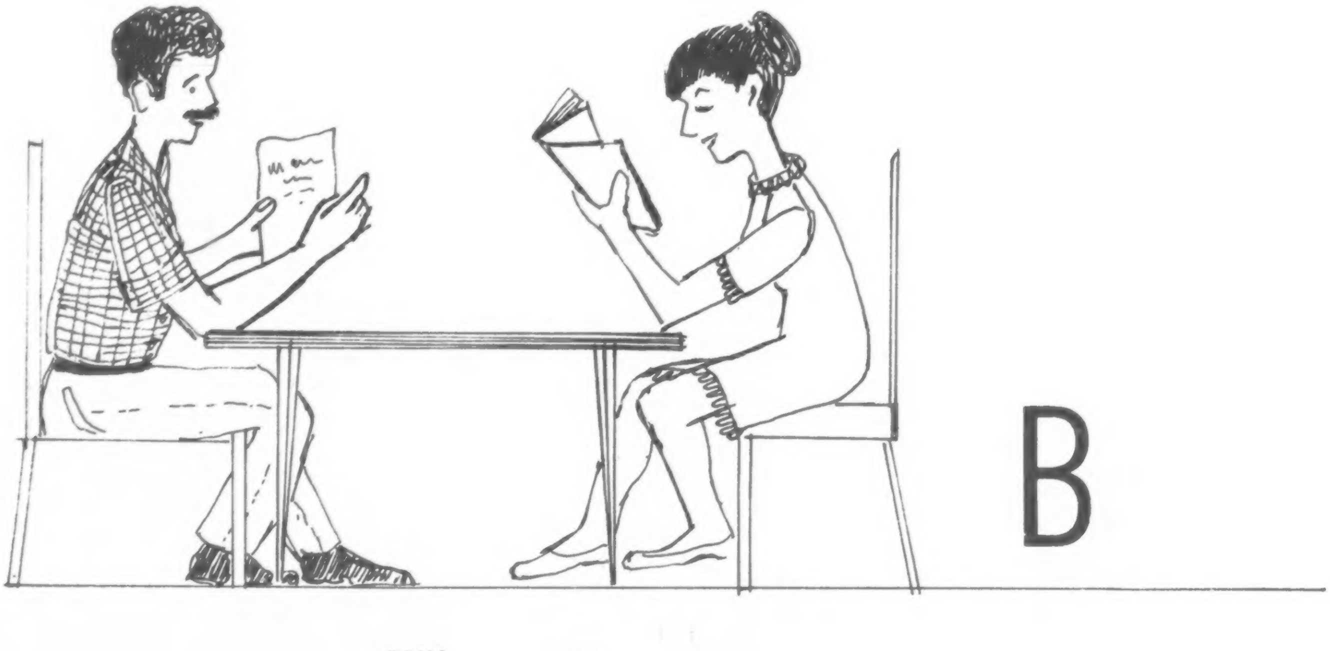
Clothes
Annual visit to doctor
Dental check-up
Down payment on TV
Life insurance payment
College education for child
Payments on new car
Toys for children
Furniture

Divide class into groups of four or five members. Distribute equal numbers of cards (4-5 each) to class members. Direct each player to arrange cards in the order in which he would buy the items. Those he would not buy at all should be discarded. If another player would like to have an item on a card which has been discarded, he may pick up that card and add it to the cards in his hand. After each player has finished, the following questions could be raised:

Why did you arrange them in the order you did? (Try to relate class members' answers to needs, wants, stage in family life cycle, and available resources.)
Why did you discard an item?
What values do your choices indicate?



A



B

SKIT #I

Characters: Mother
Father

Mother and father seated in living room discussing financial situation.

Father: We are not going to have enough money to pay all our bills this month. Why on earth did you let that door-to-door salesman talk you into buying that sewing machine? We don't have $10 a month for the payment.

Mother: Well, I thought it was a good buy and that I could save money by making some of the children's clothes. Besides, how was I to know you were going to get a tape deck for the car? If you had not done that, we would have been all right.

Father: So now it's my fault, is it? Well, what about the new sweater you got for John? He should have paid for that himself, but you let him waste his money on running around.

Mother: Is that so? You let Ann buy a transistor radio that she should have paid for with her baby-sitting money.

SKIT #II

Characters: Father
Mother
John, 16
Ann, 14

Family is seated in living room discussing financial matters.

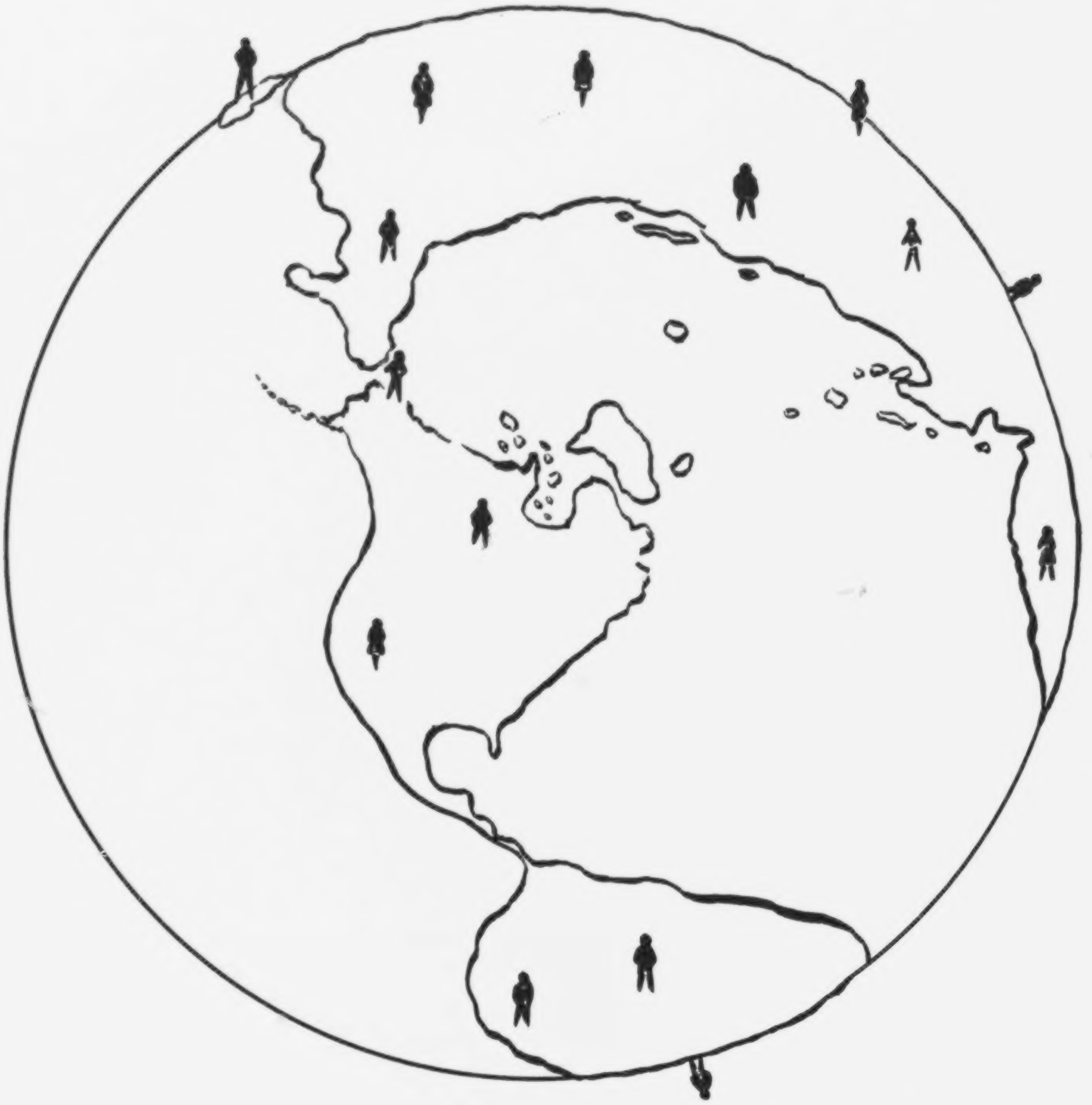
Father: I've just been looking at the bills we have and thought we ought to talk over some of the things you've been wanting to buy. Mother, you said you'd like a sewing machine, John wants a sweater, and Ann wants a transistor radio. We've also been talking about a tape deck for the car but we just can't buy all these things and pay our necessary monthly expenses. Does anyone have any suggestions?

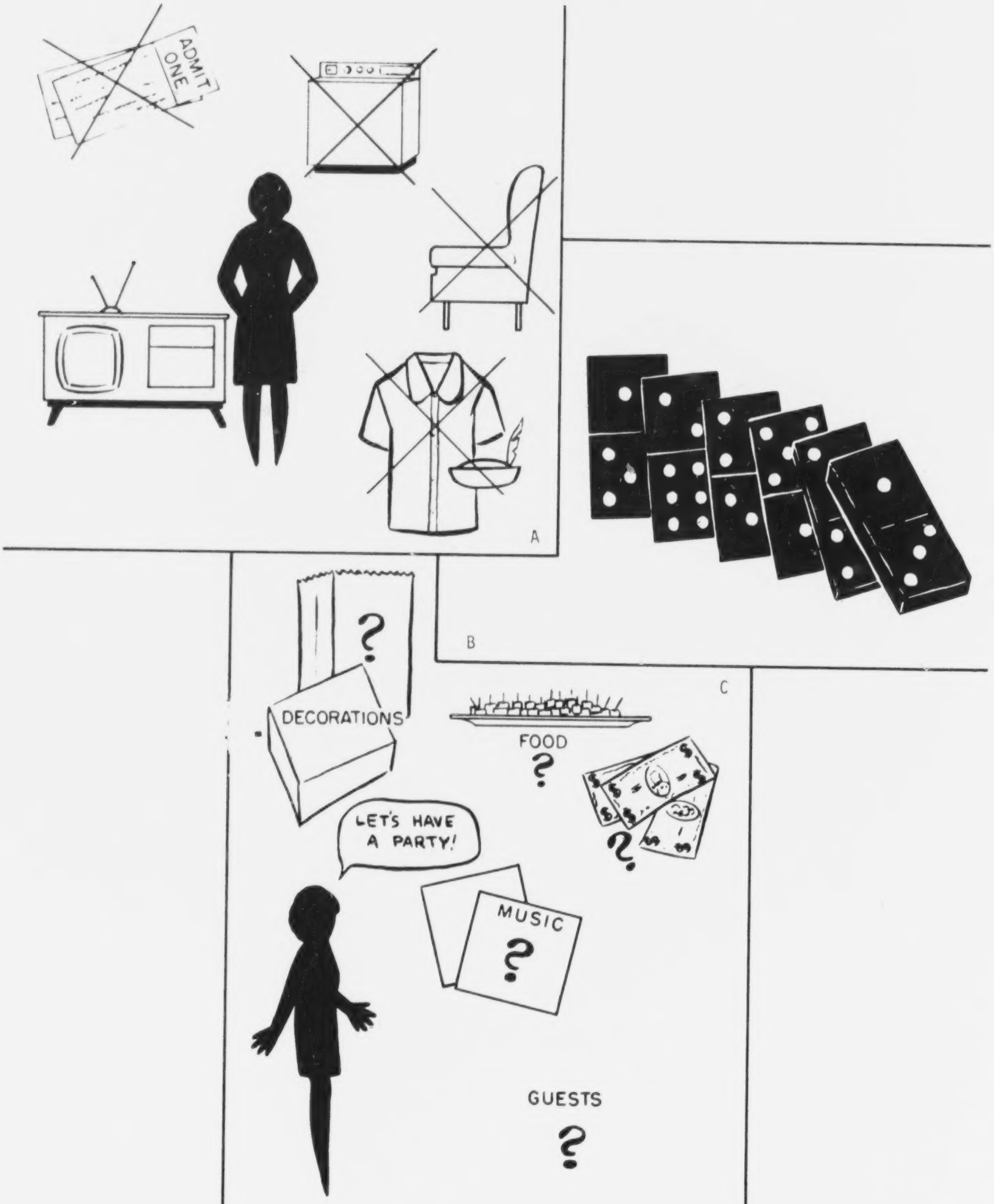
Mother: Since I took that sewing class, I've been wanting to make some more things and I thought I could make some curtains for the kitchen windows. I could also help us save money by making some clothes for Ann and myself. But I guess I can do without a machine until later.

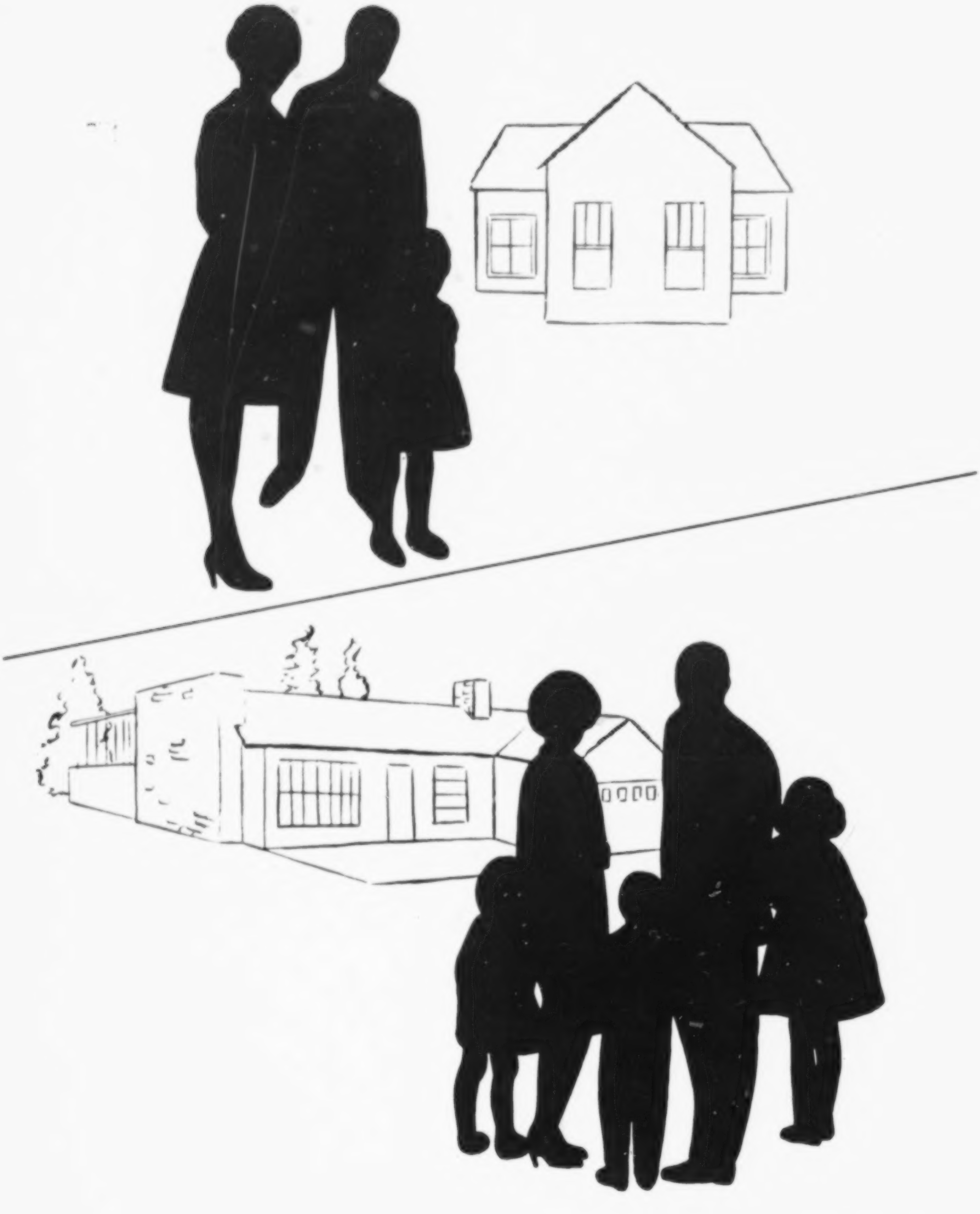
Ann: No, I think we should get the machine now. I'd like to learn to sew and we sure need some new curtains. I can wait to get the radio. Maybe I can even earn some money by baby-sitting so I can help with the payments for the machine.

John: I do need the sweater, but I can pay for it with what I earn at my part-time job. It will take me a little longer to get it, but I can wait. So you don't need to allow anything from the budget for my sweater.

Father: Well, it looks like we will be able to work things out after all. It sounds to me like we can afford the payments on the sewing machine. Then when that's paid for, maybe we can start thinking about a tape deck again.



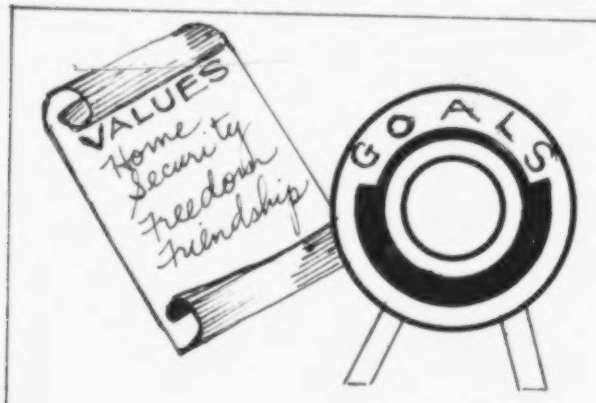

ADMIT ONE
A
?
B
DECORATIONS
C
FOOD
?
?
LET'S HAVE A PARTY!
MUSIC
?
GUESTS
?



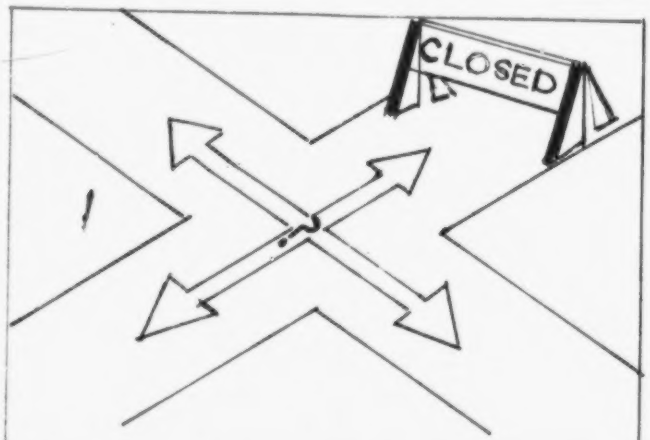
Making A Decision

?

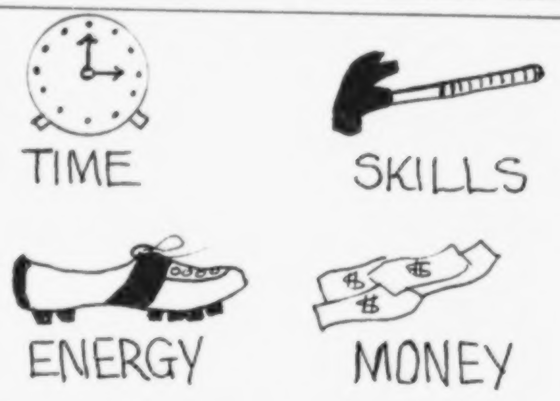
What Is The Problem?


VALUES
Home
Security
Freedom
Friendship
GOALS

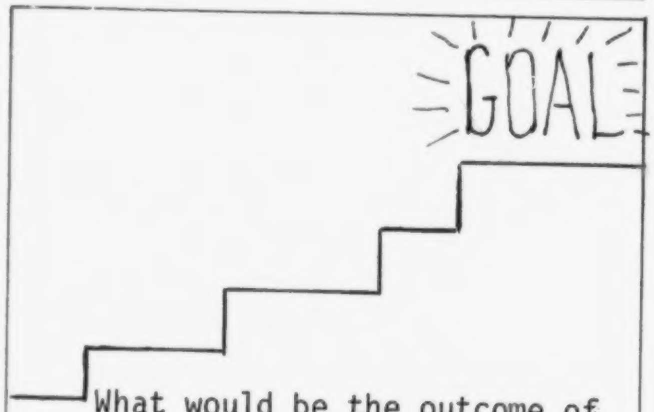
What values and goals are involved?



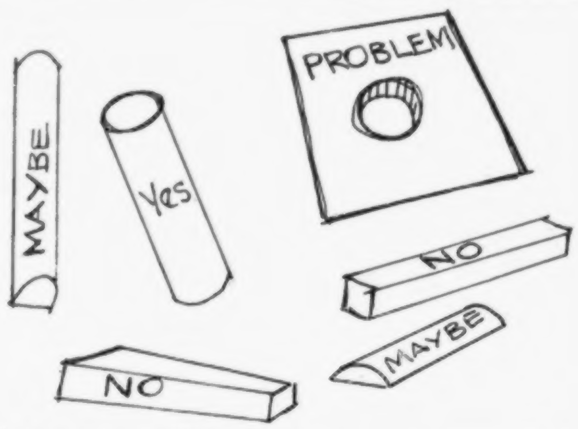
What are the possible solutions?


TIME
SKILLS
ENERGY
MONEY

What resources do you have?



What would be the outcome of the different solutions?


PROBLEM
MAYBE
Yes
NO
MAYBE
NO

Choose an alternative and put plan into action.

Evaluate the results.

THE ROSS FAMILY MAKES A DECISION

The Otis Ross family never seems to stay at home. They spend a lot of time visiting neighbors, going to movies, going to lounges, skating, going to ballgames, and on and on. As a family they are seldom together, seldom have time to talk, and are frequently grouchy with one another. Finally, one day, Doris Ross asked, "What's wrong with us? We never spend any time at home together!"

"I don't know, Doris, but what would we do if we stayed at home?" asked Otis.

"Well, we could..." said Doris, and then admitted she didn't know, either. The Rosses have recognized that they have a problem.

"Is it really important that we do things at home?" asked Otis.

"I think so," said Doris. "My family is important to me and I would like to spend time together, so we can really know one another."

"Come to think of it, I guess I haven't been too happy about not knowing what the kids are doing or who their friends are. I don't really enjoy going to movies or bowling by myself. I'd like to spend more time together as a family, too."

Now the Rosses have identified the values and goals involved. The value involved in this problem is family. Their goal is to spend more time together.

"What do other families do together?" asked Otis.

"Well, some families go on picnics, they share hobbies, watch TV, repair things around the house, play games, work puzzles, and lots of other things," replied Doris, after thinking for awhile.

"I get it--things everybody can get involved in," said Otis. "Let's start thinking about some things we can do!"

As the Rosses talked further, they discovered many other things their family could do together. The Rosses have identified a number of possible solutions. However, the biggest thing they found was that in order to meet their goal, they would have to change their present way of living. To increase their resource of time at home, each family member would have to spend less time away from home. Instead of spending all their recreation money on activities away from home, they would have to reserve some for recreation at home. In addition, if the Rosses decided to take up some family hobbies, they might have to increase their skills so they could get the fullest enjoyment from them. The Rosses have taken a look at their resources to see which ones were available to help solve their problem.

Otis and Doris and their three children talked about the things they could do to spend more time together. They decided to look further into four of these solutions. The four possibilities included: buying a television set, refinishing furniture, gardening, and camping.

The Rosses then considered the possible outcomes of these four solutions. Here is what they learned:

If they purchased the television set now, they would have to buy it on credit and might not be able to get other things the family needed. Also, the family would not be reaching its goal entirely, because they really wanted to get to know one another. TV is mostly for listening and watching.

If the family decided on the hobby of refinishing furniture, they might not have the skills needed. It would cost money for equipment and supplies and for old furniture to refinish. However, the Rosses do need new furniture and refinishing it might be less expensive, so they could contribute to the beautification of their home, another goal. In addition, if the project was successful, the family might turn it into a part-time business and refinish furniture for friends and neighbors. This plan would give them an opportunity to get to know one another.

If the Rosses take up gardening as a hobby, they would have to find another project for winter months. They would need tools and skills for undertaking the project. Also the garden would have to be quite small because the Rosses' home is built on a very small lot. The extra cost of water might increase the expense. This project would also give the family a chance to talk to one another and to work together.

Camping is another warm-weather hobby. If the Rosses became camping enthusiasts, the expense could be quite high for camping equipment. It is also quite a distance to camp sites from where the Rosses live. It is something they could do together, however.

After considering these possible outcomes, the Rosses chose the alternative of refinishing furniture as a hobby. To put their plan into action, they set aside Saturday and Sunday afternoons. First, they would read books, collect pamphlets and talk to other people in order to gain the skills they needed. Next, they would go to garage sales, second hand stores, antique shops, etc. until they found a simple piece with which to begin their project. Then the family would work together to refinish the piece of furniture. Money would be set aside each week for tools and supplies.

One Year Later

A year later the Rosses are a different family. Let's listen as they take stock of the results of their project.

"Well, Doris, what do you think?" asked Otis as he put the finishing touches on the leg of a dining room chair.

"It's beautiful!" exclaimed Doris.

"Yes, it is!" chimed in the three children.

"And just think," said Mark, "we did it all ourselves."

"It goes beautifully with the drapes I made as my home project for homemaking class," said Sally.

"Now everybody has a chair that matches," remarked Steve.

"Yes, children," said Doris, "we've sure fixed up our house a lot this year, but it's been fun, hasn't it?"

"Yes," said Mark, "I would never have taken woodworking class if we hadn't decided on this as a hobby. And I wouldn't have gotten a summer job at Mr. Fraieser's Cabinet Shop, either."

"And I didn't like sewing before," said Sally, "but now I can see something useful to do with it. Besides that, it's been fun, too!"

"I guess the thing I've enjoyed most," said Otis Ross, "is getting to be with my family more. We've become closer this year than we had ever been before."

"And another good thing," said Steve, "we've saved enough money by refinishing furniture for other people that we can buy a TV this summer."

"Yes, we can," said Doris. "I think we all agree that we have reached our goal."

UNIT II: PLANNING
II-1. Plan Ahead

OBJECTIVES:

To recognize reasons for using a spending plan
To determine and list family goals
To identify the reason for cooperation of family members in financial matters
To apply information given to making a list of personal income and expenses in the development of a spending plan

VOCABULARY: Spending plan   Goals   Short-term goals   Long-term goals
Fixed expenses   Flexible expenses   Deductions

NOTE: Have students keep a record of their spending for four weeks prior to this lesson. [see p. 84]

Do you often wish you had more money to spend? If so, you are like many other individuals or families who never seem to have quite enough money to take care of all the things they need and want. [Use transparency on p. 61]. Do members of your family disagree about how the money should be spent? One way to make your money go farther and to avoid family arguments is to plan your spending. Use transparency [see p. 62]. Making a spending plan includes finding out where we stand at present, setting goals for the future, and taking necessary steps to reach each goal. A spending plan is different from a spending record. When you keep a spending record, you write down how much money you spend as it is spent. To make a spending plan, you decide about how much you will need to spend on certain things, like food or clothing, before you spend the money.

There are several steps involved in planned spending. During the next four lessons we will be discussing the steps in making a spending plan.

Some advantages of a spending plan are:

1. It helps us to be honest about the things we can afford.
2. It helps us to get the most out of our money.
3. It helps us to reach our goals.
4. It lessens the number of family arguments over money.
5. It decreases worry over money.
6. It helps us to see just how much money is being spent on certain items.

The first step in making a spending plan is to decide what is important to you and/or to your family. These are called goals and are things toward which we work. The things we want or need soon are called short-term goals and those we can wait for or which take a long time to reach are called long-term goals. It is a good idea to set your goals as a family. Then all members of the family can work together to reach the goals.

When a family or individual decides to spend its money for one thing, they are also deciding not to spend it for other things they might have bought with that same money, so be sure you are getting what you really want with your money.

Hand out sheet entitled Our Family Goals [see p. 63] and give examples of goals a family might set for the next month or two, such as:

pay bills
buy clothes
buy a piece of furniture
take child to doctor
buy school supplies

These are called short-term goals because it doesn't take very long to reach them. Goals a family might set for a year or more from now, might include:

a different place to live
a new car
a vacuum cleaner

These are called long-term goals because it takes a long time to reach them. Encourage class members to list some of their family goals. Ask class members to put a check mark by the item(s) the family wants most. These would be the goals you would try to reach first. Some people even like to number all their goals in the order in which they hope to reach them.

In order to reach our goals, we need to know where our money goes and then to develop a spending plan. The story we are going to read now shows us the next steps in developing a spending plan. Use duplicated copies of pp. 5, 7, 9, 13, 17, 19, 27, and 29 in the story, Where Does the Money Go? by Hazel Taylor Spitze and Patricia H. Rotz, Austin, Texas: Steck-Vaughn Company, 1969.

After class members read the stories together, ask:

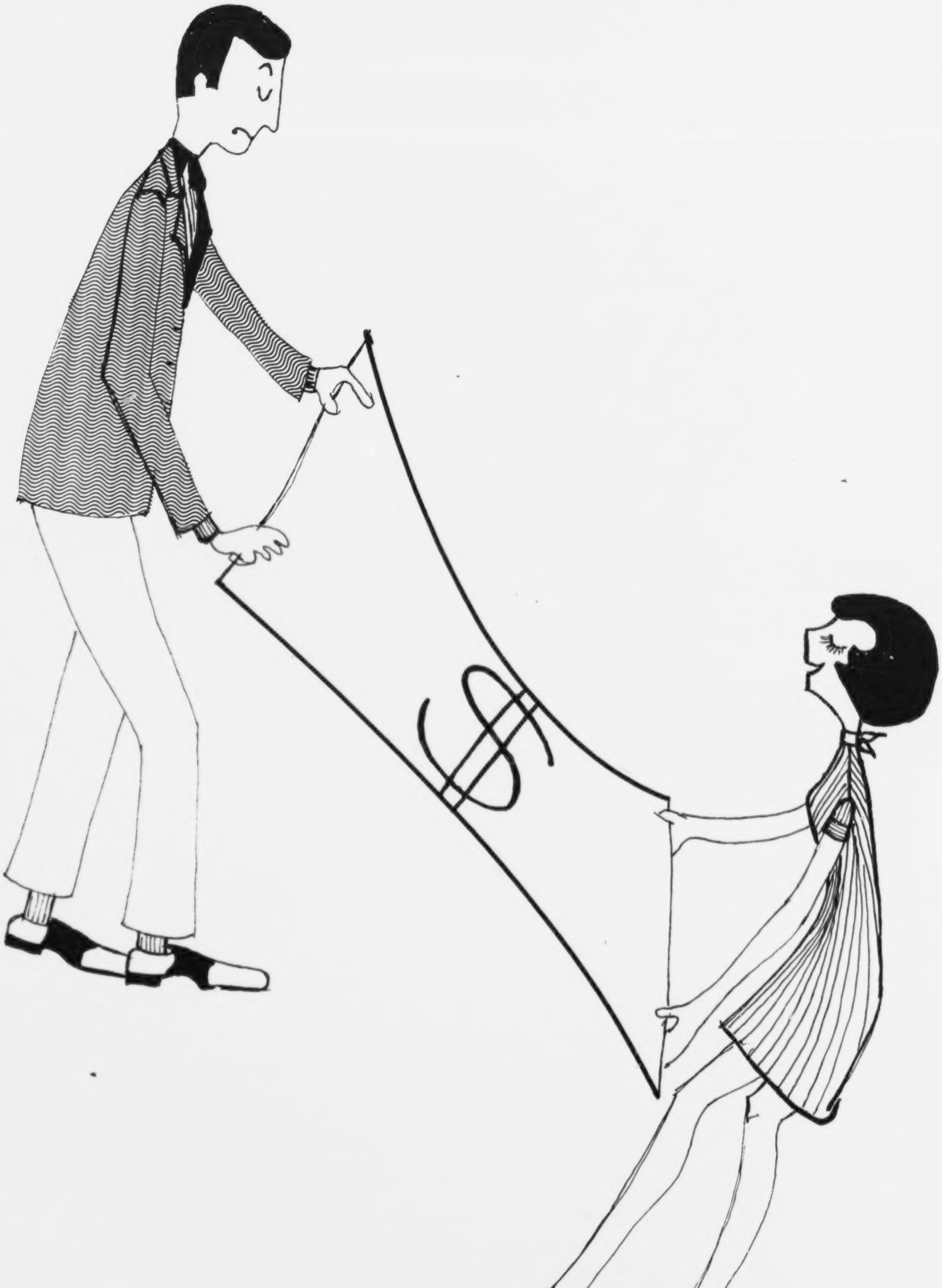
> What were some of the things the Jacksons did to figure out where their money went? (They wrote down their expenses, they figured out how much Mr. Jackson got paid, they marked the bills on the calendar, and figured out how much they had to spend each week.)
> Who took part in these activities? (The entire family)
> Do you think this is a good idea? Why? (Spending plans are likely to be more successful if the entire family is involved.)

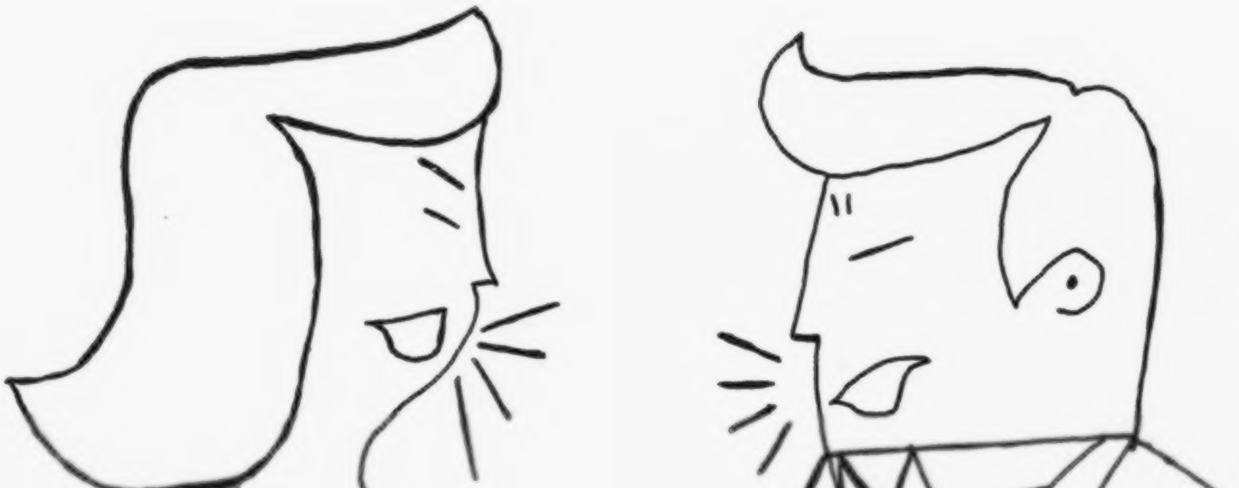
APPLICATION: Distribute sheets entitled What Is Our Income? [see p. 64] and What Are Our Expenses? [see p. 65] and ask class members to fill out. Discuss difference between fixed and flexible expenses. Fixed expenses are payments which the family must pay. This includes rent or mortgage payments, insurance premiums, installment payments, or any debt the family owes, taxes, and all other payments made on a regular basis and in a fixed amount.

Fixed expenses don't change much from month to month. Flexible expenses are those which can be controlled to a certain extent. These include expenditures for food, clothing, personal allowances, household operation, drycleaning, laundry, recreation, and other needs. Flexible expenses vary from month to month. Ask class members to transfer total amount spent from the record they kept to the What Are Our Expenses? chart [see p. 65].

Distribute When Are Bills Due? [see p. 66] and ask students to fill this out for either the present month or the next month.

KEY IDEAS:
A spending plan can enable a family to effectively use its resources.
A successful spending plan is based on the individual family's income and expenses.
Determining family goals is one step in the development of a spending plan.
Cooperation among family members in developing a spending plan will contribute to the success of the plan and family harmony.





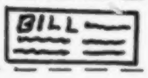
OUR FAMILY GOALS

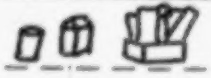
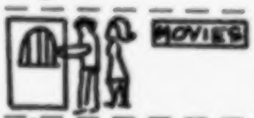
Goals (Soon)	Cost	Goals (Future)	Cost
Total		Total	

WHAT IS OUR INCOME?

Sources of Income	Monthly Amount	When Received
Wages (Take-home pay) Father Mother Children		
Social Security		
Unemployment Insurance		
Welfare Payments		
Aid to Dependent Children Payments		
Other		
TOTAL		

WHAT ARE OUR EXPENSES?

FIXED EXPENSES	Totals
Housing (Rent)	
Insurance payments Health Life Car	
Utilities Electricity Gas Telephone Water	
Installment payments 	
Other	
Total	

FLEXIBLE EXPENSES	
Food 	
Clothing & laundry	
Household expenses	
Medical expenses (doctor, dentist, medicine)	
Education (school supplies)	
Transportation (car expenses, bus fares)	
Recreation (movies, entertainment, sports) 	
Contributions (church, community, and gifts)	
Personal (haircuts, cosmetics, allowances, cigarettes)	
Total	
Fixed and Flexible Total	

WHEN ARE BILLS DUE?

Month ______________________________

Sun.	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.

UNIT II: PLANNING
II-2. Plan Now--Spend Later

OBJECTIVES:

To recognize that spending plans vary from family to family
To consider needs and goals of family when making a spending plan
To make a spending plan for a sample family and then for their own family
To relate the attainment of goals to use of a spending plan

VOCABULARY: Spending plan

Now that you have listed the amount of your income and your expenses, you are ready to make your spending plan. Each of you will have a different spending plan. Families have different goals and different expenses so the same plan would not work for everyone. A family's spending plan must be tailored to fit the family's values, needs, resources, and goals. When these change, the spending plan must be changed to fit the new ones.

Hand out copies of the information from pp. 41, 45, 47, 49, 51, 53, 55, 59, 71, 73, and 75 in Where Does the Money Go? [see p. 59] and let class members read aloud. Use this as a basis for the following discussion:

You will remember that the Jacksons had made a plan for spending when we read about them last time.
What were they able to do as a result of planning their spending?
What goal did they set? Did they reach it?
Do you think they would have been able to save the money for the washer without a plan? Why or why not?
How many of the family members were included in the plan? How did this help?
What was the advantage of saving for the washer instead of buying it on credit?

To start our thinking, let's work together to make a spending plan for the Brown family. Hand out and read together A Spending Plan for the Browns [see p. 69].

As a class use the Sample Spending Plan Work Sheet [see p. 70] and fill in the amount the family spent in the "Amount Spent" column from the figures given in A Spending Plan for the Browns [see p. 69]. Next guide the class in making a spending plan for the Browns for the next month. Remind them that fixed expenses do not change much from month to month, so they can merely transfer those figures to the "Amount Planned" column. Add up the fixed expenses and subtract from the monthly income to see what is left for flexible expenses. Now as a class, decide how much the Browns can afford to spend in each category so they will stay within their income and repay the friend who loaned them money within the next two months. As teacher, you may find the following suggested expenses helpful, though these are not the only possible solutions. Use a transparency to record the figures.

Suggested Flexible Expenses

Food	$100.00	Transportation (car, bus)	$ 6.00
Clothing and laundry	8.50	Recreation	2.00
Household expenses	3.00	Contributions and gifts	3.00
Medical expenses	5.00	Personal	5.00
Education (school supplies)	1.00		$133.50

Discuss the following questions:

If the Browns decide to begin saving money each month for emergencies, which expense item could they take this from?
If the Browns do not spend the money for medical expenses next month, should they spend it for something else? Why?

APPLICATION: Now you are ready to make your own spending plan. Remember that this is to be your plan and that each plan in the class will be different. Your plan will be different because your families vary in size, tastes, priorities, preferences, and age of the family members. Look back to your Our Family Goals sheet and your What Are Our Expenses? sheet and consider these as you make your plan.

Encourage class members to discuss their plan with the rest of the family and then fill in the "Amount Planned" column on the Spending Plan Work Sheet [see p. 70], which should be distributed to them.

Continue to keep a record of your spending for a month, then fill in the Amount Spent column. At that time you should compare the figures in Amount Planned column with the figures in the Amount Spent column.

KEY IDEAS: Spending plans differ for each person or family.
Spending plans should be based on one's previous expenses and take into consideration one's goals.
Goals are more likely to be reached when a plan is made and followed.

A SPENDING PLAN FOR THE BROWNS

Meet the Brown family! They are Mr. and Mrs. Brown and their two children, Mary and John. We will use the Brown family's expense records to help us learn to make a spending plan. Their monthly income is $250.00.

Here are their expenses:

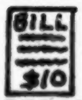
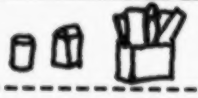
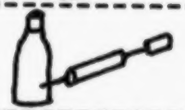
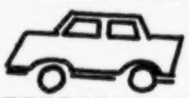
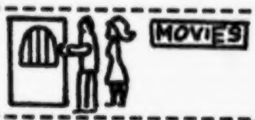
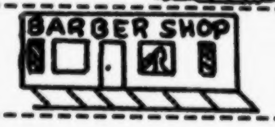
The Browns pay $65.00 rent, $5.00 on a health insurance policy, and have installment payments for a winter coat for Mrs. Brown and a rug for the living room that add up to $20.00. Their electric bill is $15.00, their gas $3.00, telephone $7.00, and water $1.50.

Last month they spent $100.00 on food, $10.00 on a skirt and sweater for Mary, $.50 to do the laundry, $1.00 on a notebook for John, $6.00 bus fare for Mr. Brown to go to work (the children walk to school), $3.00 for tickets to a movie, $1.00 for household expenses, $2.00 to their church, and $20.00 on cigarettes, lipstick, toothpaste, and shampoo. They spent $10.00 more than they had and Mr. Brown borrowed that from a friend promising to repay him within two months.

The Browns are in the process of meeting two of their goals--the coat and the rug. This is the last payment on the coat. Next month the Browns will have the $10.00 they had been paying on the coat to repay their friend. Another goal is to take Mary to the dentist for her check-up in two months and to get a birthday present for John next month.

SAMPLE SPENDING PLAN WORK SHEET

Income

Expenses	Amount Planned	Amount Spent
Housing (Rent)		
Insurance Health Life Car		
Utilities Electricity Gas Telephone Water		
Installment payments 		
Other		
Food 		
Clothing & laundry		
Household expenses		
Medical expenses 		
Education (school supplies)		
Transportation (car, bus) 		
Recreation 		
Contributions & gifts		
Personal care  BARBER SHOP		
Total Expenses		
Total Income		

UNIT II: PLANNING
II-3. Records Predict Future

OBJECTIVES:

To name the types of records which need to be kept
To develop ability to keep financial records
To construct a family business center
To explain the value of records as a guide for future planning

VOCABULARY: Family records   Family business center   Envelope form
Checking account   Savings account   Assets

Use a visual [see pp. 75-76] to list the types of records which need to be kept by a family.

Income and expense records:
- All legal evidences of ownership of all assets, including savings passbooks, U.S. Bonds, deeds and titles to property
- All legal evidences of debt and its cancellation, including notes, finance contracts, income tax returns, tax receipts, cancelled checks and other important receipts
- All insurance policies, including automobile, health, liability, and life, whether group or individual policies

Other important items such as:
- Birth certificate for each family member
- Marriage certificate
- Divorce and support papers
- Wills
- Immigration papers
- Naturalization papers
- Family health records (immunization, etc.)
- Social Security card for each member
- Diplomas
- Licenses
- Registrations

Let students use skit, Where Is It? [see p. 77],in which family records are misplaced or destroyed because of lack of organization. The skit may be read, if preferred.

What might this family have done to keep from losing the records?
Where could they have kept them?
Why would it be a good idea to keep them all together?
What is a safe deposit box?
What records would be safest in a safe deposit box?

Give some suggestions for setting up a family business center. Use Keep Up With Your Business, [see pp. 78-79] for handouts. Encourage students to work with their families in setting up a business center and report results to class.

There are a number of ways to record income and expenses and to keep family records. All have good points and bad points. You must choose the one that fits your family best.

A good method of keeping records should...

1. Not take more than 5 minutes a day and a little longer once a month.
2. Show income and expenses.
3. Show how the spending is divided among the different items such as food, housing, clothing.
4. Show how much different members of the family are spending.
5. Show the date when important items were bought.
6. Show total amount spent for each different item, such as food, housing, clothing.
7. Subtract total amount spent from income that month.

Show a display illustrating various record keeping methods.

Envelope form--Small amounts of money may be kept in envelopes, boxes, or jars marked for "laundry," "allowance," "food," "utilities," or "recreation."

Checking account--A safe and convenient place to keep money. Cancelled checks provide a legal receipt of payment for bills and a record of past spending. There is usually a service charge based on the number of checks written each month and the size of the balance kept in the account. You must decide whether the convenience offsets the cost.

Savings account--This is a safe place to keep money for the things you must save a long time for or money for emergencies. You will receive interest on this money, which will add a small amount to what you have saved.

The envelope system

Some people who shy away from figures may find the envelope method the simplest way to live within their plan.

They consider it a game or a challenge to come out without having to shift from one to the other. Anything left in the other envelopes at the end of the period can be transferred to the reserve envelopes and from there into a bank account, savings account, or other place of safe deposit.

On the other hand, if the money in one envelope or purse gives out before the end of the period, the family must decide whether to (1) go without any further purchases in that section till the next income period; (2) "borrow" from one of the other envelopes, which means cutting planned expenses in the section "borrowed" from; (3) dip into the "emergency" or "big need" reserves or draw on savings, if any; (4) borrow; or (5) buy now on credit and pay later.

If the decision is to borrow or to buy on credit, an envelope must be provided for the future into which a still greater sum of money for repayment must go. While postponing payment temporarily may seem to solve the problem, the borrowing or credit-using family usually gets less--though different--goods for the same amount of money in the end than does the cash-paying family. When it uses the envelope system over a period of time, it can see more clearly what envelopes it has to take from in order to fill up the "payments due" envelope.

If the decision is to borrow from one of the other envelopes or to dip into reserves, it may be that the spending plan is not realistic, and should be revised; next month, perhaps the amounts put into the envelopes should be somewhat different.

If, however, the budget plan has been fairly well tested, such revisions should become less necessary and the question of "borrowing" from other envelopes should have to be faced less often. When it does arise, the decision can more often be to make no further purchases without too great an inconvenience or sacrifice.

There are obvious disadvantages to the envelope system. There is the danger of theft or mislaying of cash left lying about the home. There is also the inconvenience of not having the right envelope or purse at hand when a purchase has to be made. If these problems can be solved, however, it does afford an easy way to know financially what has been accomplished and what has been sacrificed in each time period. A sheet or notebook showing the amounts used each period from each envelope or purse requires very little work and provides an excellent record of financial achievement.

The checkbook method

Many families find a joint checking account works better than assigning specific sums to one family member or putting them in envelopes. They pay bills and draw cash as needed to meet their requirements within agreed upon limits. They can see where they stand by reviewing ever so often the checks written during a current period and of changes in bank balances and bills owed. Such a summary made, say, once a month can give a good overall picture, although it may fail to show where cash went. This gap may be filled in by keeping receipts for cash purchases and totaling them.

Savings account plus checkbook

Some families use a savings account for reserves and set-asides for such things as taxes and other expected large expenses of the year, and a checking account for the monthly and weekly needs. A second savings account for permanent savings or for accumulation until specified large wishes can be met helps keep funds straight and sets temporarily unused funds to earning interest.

Envelope system plus checking account or savings account

To avoid the problems of having too much cash at home, some families use a combination of methods. They may keep money for monthly expenses such as rent, utilities, and installment payments in a checking account and add a certain amount each week. Reserve funds may go in a savings account. Money for weekly expenses such as food, clothing, and household and personal expenses may be kept in envelopes at home.

Let students practice using the envelope system by using The McDonalds' System [see pp. 80-84] and letting volunteers play the roles of family members. Have them follow a family's income and expenses for a week, dividing each paycheck into the envelopes, paying expenses from the envelopes, and recording them on a record sheet. Observers may merely record income and expenses on record sheets.

What do you think about the envelope system?
If you made more money than the McDonalds, would it be safe to keep a lot of money at home?
How could you combine using a checking account with the envelope system?

Using the transparencies [see pp. 85-86] discuss the following points, using the preceding family as an example.

Spending plans are valuable because they:

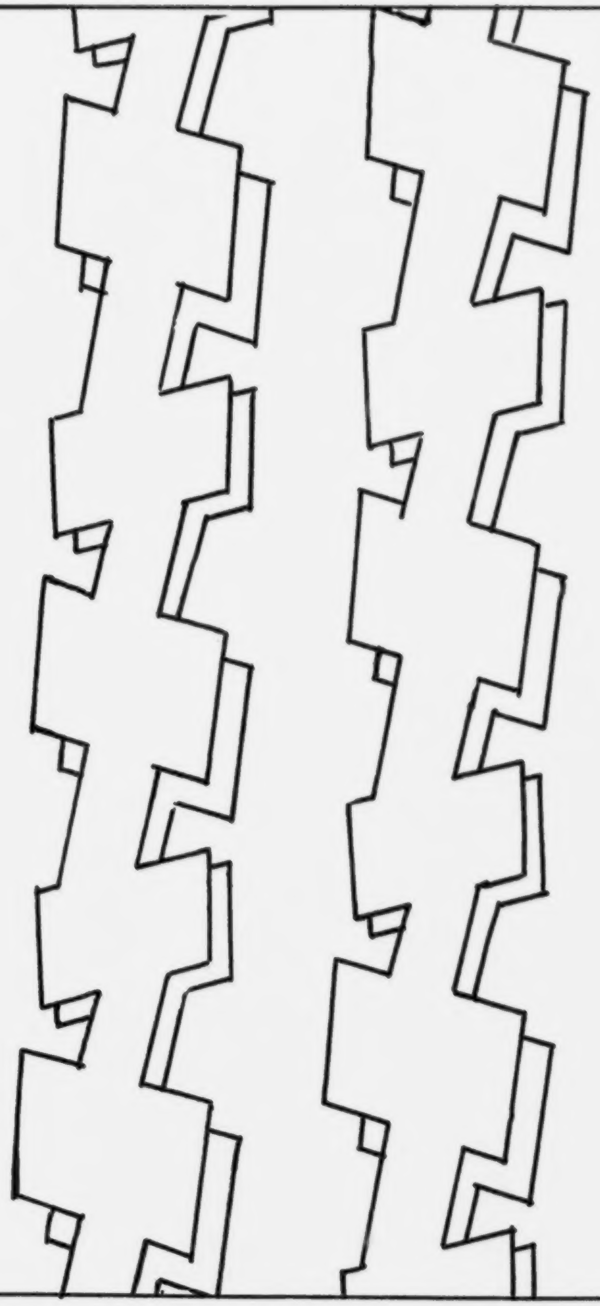
1. Show the individual or family whether they are really progressing toward their goals in life, and getting what they want for their money.
2. Show mistakes in spending.
3. Indicate whether spending is unbalanced or properly distributed to the different necessary items.
4. Show whether each member is receiving more or less than a fair share of the family income.
5. Give a family a feeling of security because they know how much they can afford to spend.

How could these records aid the McDonald family in planning for future spending? (They could tell them where they were over spending and need to cut down in the future. They may indicate where more money was allowed than was needed. They will know how much money they have left after necessary expenses.)

We have seen how the envelope system worked for the McDonalds. You might decide to use this plan for your own family or your family might prefer to use a checking account. This is up to you and your family. The important thing is that you do make plans and keep records. You have had some practice doing both of these. Now it is up to you and your family to continue to make plans and keep records for the rest of the year. It may seem hard at first, but like most things you learn, the more practice you get the easier the task becomes. If you work at planning your spending, you should find that your goals are easier to reach.

APPLICATION: Give students 12 copies of the record sheet and cover pages for them to make their own financial record book. [see p. 87]

KEY IDEAS: A family needs to keep records and to keep them in a safe place.
Any of several methods of record keeping may contribute to successful organization of family financial records.
Keeping records of income and expenses can help in planning for the future.



FAMILY RECORDS

INCOME AND EXPENSE RECORDS

EVIDENCES OF OWNERSHIP

EVIDENCES OF DEBT AND ITS CANCELLATION

ALL INSURANCE POLICIES

OTHER IMPORTANT ITEMS

DIRECTIONS FOR MAKING POSTER

Materials Needed:

1 sheet colored poster board 22" x 28"
4 sheets construction paper
scissors
glue
black felt-tipped marker

1. Cut shapes of construction paper and join ends of strips to form a strip the width of the poster board.
2. Glue two strips of the same color on one side of the poster board.
3. Repeat with another harmonizing color of construction paper. Stagger these two strips over the two already glued on poster so that both colors show.
4. Letter.

WHERE IS IT?

Everyone at the Jones house is in a dither. Ralph Jones can't find the W-2 form which was sent to him a few weeks ago. He must have this form before he can fill out his income tax form. Mrs. Jones is dumping everything out of the wastebaskets in an unsuccessful attempt to find the missing form. "I know I left it on top of the desk," declares Mr. Jones.

"Why don't you check in the drawers?" suggests Mrs. Jones, as she begins to go through the things on top of the coffee table.

"Jimmy!" calls Mrs. Jones. "Will you come help us look for your father's W-2 form?"

"What does it look like?"

"It's in a small white envelope," replies Mr. Jones.

"Well, I've found last October's bank statement," says Mrs. Jones. "I wonder what it was doing there!"

"Is this it?" asks Jimmy.

"Let me see," says Mr. Jones. "No, that's not it, but it is the car insurance policy. It really should be kept in a safe place."

"And here is your Social Security card being used as a bookmark, Ralph," says Mrs. Jones. "I wonder how we ever got things scattered all over the house."

KEEP UP WITH YOUR BUSINESS

A handy place for family records is important for good planning. If records are lost or cannot be found when needed, planning becomes very hard. So begin today to plan a place to keep your family's records.

A place to keep the records is essential. A desk or table and a straight chair may be used. The desk may be a regular desk, a piece of furniture made into a desk, a table, or an old door on building tiles. You may decide to keep your records in a box provided for this purpose. This center should be known in your family as the business center.

Try to place the business center where there is good light for working both day and night. It should provide a place for pencils, pen and ink, paper clips, rubber bands, address book, or other small equipment you may have. It needs a place to file your family's spending plan, expense record, receipts, cancelled checks, income tax records, etc.

Having a handy place to plan, to keep records, to write letters, and to keep important papers, saves time and worry and helps you and your family have a happier life.

Some Ideas for Your Business Center

1. Homemade file. Use a heavy cardboard box. You may want to cover it with paper or cloth. Make dividers by cutting the sides of boxes to the size you need and covering them, too.
2. Receipt file. A receipe file makes a handy place to file receipts you need to keep so you can prove you have paid your bills. Receipts are also needed for tax records if you itemize your deductions.
3. Valuable paper file. Valuable papers may be kept in inexpensive, heavy envelopes in a box or old notebook tied with string to keep them secure. Be sure to label each envelope and the box, so you will know what is inside.
4. Letter holder. It's easy to remember to pay bills when you put them in your letter holder. You might use the heavy cardboard box that cheese comes in and cover it with paper or cloth.
5. Wastebasket. Can be made from a square box, ice cream carton, old pail or hat box and covered or painted as you wish.
6. Reminder pad. Pads made from blank newsprint paper can be purchased inexpensively. This is great for figuring and for reminders.
7. Small boxes. For rubber bands, paper clips, etc. Use small boxes, margarine containers, small cans, or baby food jars. Label them plainly.

A Good Method of Keeping Records Should...

1. Not take more than 5 minutes a day and a little longer once a month.
2. Show income and expenses.
3. Show how spending is divided among the different items such as food, housing, and clothing.
4. Show how much different members of the family are spending.
5. Show the date when important items were bought.
6. Show total amount spent for each different item such as food, housing, and clothing.
7. Subtract total amount spent from income that month.

THE MCDONALDS' SYSTEM

Directions: Give the "family" 13 envelopes labeled as follows:

- Food
- Rent
- Household supplies
- Transportation
- Clothing
- Personal
- Medical and dental care
- Recreation
- Savings
- Education
- Utilities
- Church and gifts
- Installment payments

Students also receive a copy of Our Family Income and Expenses [see p. 84] with the same headings.

Students will be given play money to place in envelopes and use for "paying bills" as the teacher reads the story [see p. 81].

Give father $62.00, Mother $6.00, Charles $4.00, and Jim $3.00.

THE MCDONALDS' INCOME AND EXPENSES

You will be keeping records for the Glen McDonald family for the month of March. Enter the month and year at the top of their record sheet.

The McDonald family consists of Mr. and Mrs. McDonald and their three children, Charles, Jim, and Susan.

Mr. McDonald's take-home pay is $62 a week. His boss told him he would make $75 a week, but after income taxes, social security and other deductions, Mr. McDonald gets $62. He is paid each Tuesday. The McDonalds expect a total income of $300 including Mrs. McDonald's sewing money, which is about $6 a week, and Charles and Jim contribute another $7 a week from the money they make.

The McDonalds' goals for March include:

Pay off Charles' coat
Save $12 toward purchase of washing machine
Stay within income
Gift for Susan's birthday

The McDonalds use the envelop system to divide their income into the amounts planned for different purposes. They have allowed the following amounts for each purpose. The amount for each purpose is shown at the bottom of the record sheet beside the words "Amount Planned." This is the amount the McDonalds plan to spend for each purpose this month.

$125	Food
18	Clothing and laundry
75	Rent (paid monthly)
15	Utilities
19	Transportation
4	Household supplies
4	Personal
11	Medical and dental care
5	Education
5	Church and gifts
5	Installment payments
12	Savings
2	Recreation
$300	Total planned expenses

On each of the envelopes they have entered the amount they must put in that envelope each week. These figures were found by dividing the monthly amount by four (the number of weeks in a month).

$31.25	Food	$ .50	Recreation
4.50	Clothing	1.25	Education
18.75	Rent	1.25	Church and gifts
3.75	Utilities	1.25	Installment payments
4.75	Transportation	3.00	Savings
1.00	Household supplies	$75.00	
1.00	Personal care		
2.75	Medical and dental care		

Mr. McDonald received his paycheck of $62 on Tuesday, March 3. Mrs. McDonald's neighbor, Mrs. Brown, gave her $6 the same day for the two dresses Mrs. McDonald made for her last week.

Divide Mr. McDonald's paycheck of $62 and Mrs. McDonald's $6 and put the amount needed for the week in these envelopes. Together they have $68. Enter this amount on your record sheet.

$24.25	Food
4.50	Clothing
18.75	Rent
3.75	Utilities
4.75	Transportation
1.00	Household supplies
1.00	Personal care
1.25	Education
1.25	Church & gifts
1.25	Installment payments
.50	Recreation
3.00	Savings
2.75	Medical and dental care
$68.00	

Food needs seven more dollars. The other members of the family will put their pay in this envelope.

On March 6, Charles receives his pay for his paper route. He gives $4 of his pay for family expenses. Enter this amount under income on the record sheet. Put this in the food envelope.

$4.00	Food

Jim is paid Saturday for the odd jobs he has done for Mr. Smith at the neighborhood grocery. He contributes $3 of it toward family expenses. Record his pay under income on the record sheet and put it in the food envelope.

$3.00	Food

Saturday afternoon the McDonalds filled their old car with gas. It cost $3.50. Enter this amount on the record sheet and take the money out of the transportation envelope. Next the McDonalds went to the grocery store. They spent $30 on groceries. Take $30 out of the envelope marked food and write this amount down on the record sheet. Susan needed a new tablet and pencil, Jim needed notebook paper, and Charles needed graph paper. This cost $.75 from education. Mother bought soap for $1.00. Soap is a household supply. The family also bought toothpaste for $.75. Toothpaste comes under personal care. Mother found a blouse on sale for $2.00. Put this under clothing.

On Sunday the family went to church. They gave $.50 to the church.

Let's see what happens in just one envelope as the month goes on. Father is paid again on March 10. His paycheck is divided this week as it was last week. Let's see what is happening in the rent envelope.

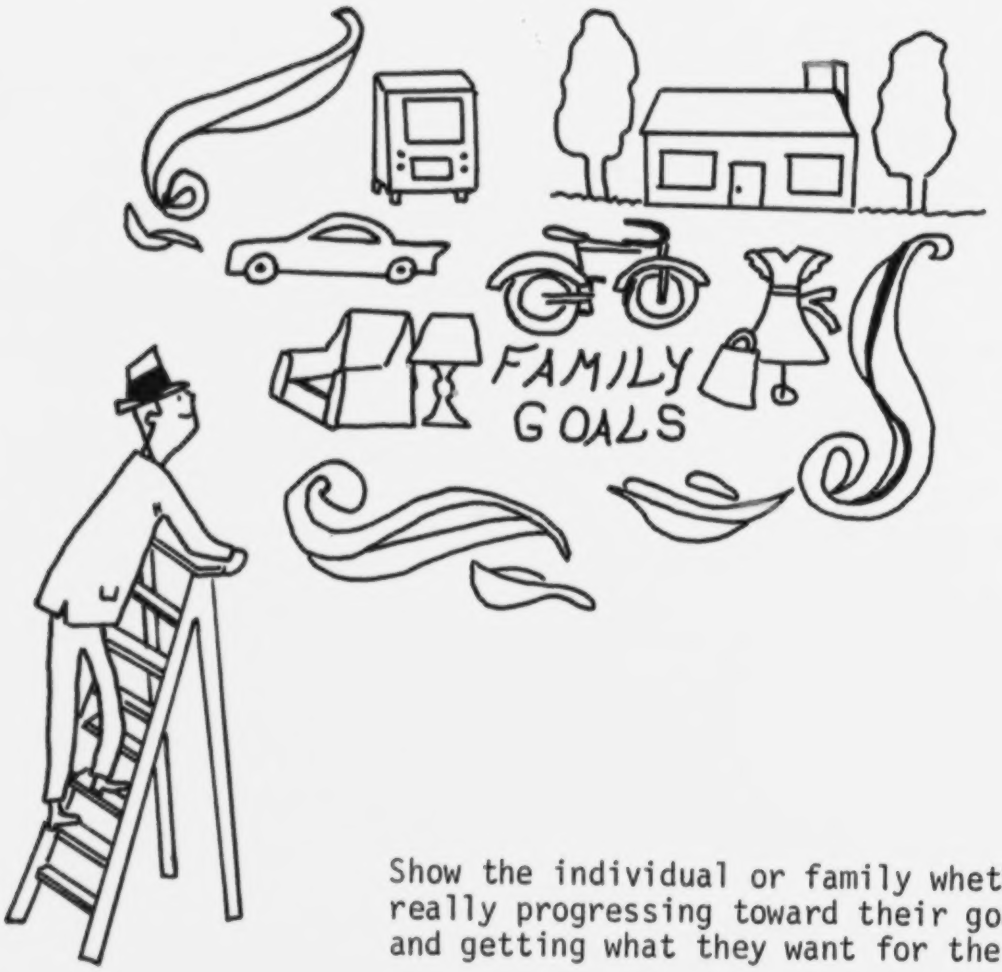
Last week we put $18.75 in this envelope. The rent is due at the end of the month, so none of it was spent. This week we added $18.75 to this envelope, just as we did last week. Now there is $37.50 in the envelope. If the McDonalds add $18.75 to the rent envelope the next two weeks, how much money will they have at the end of the month? $75. How much will they have after they pay the rent? $0.

The McDonalds' expenses for the rest of the month have been recorded for you. Add up each column to see how much was spent for each purpose. Did the McDonalds stay within their spending plan?

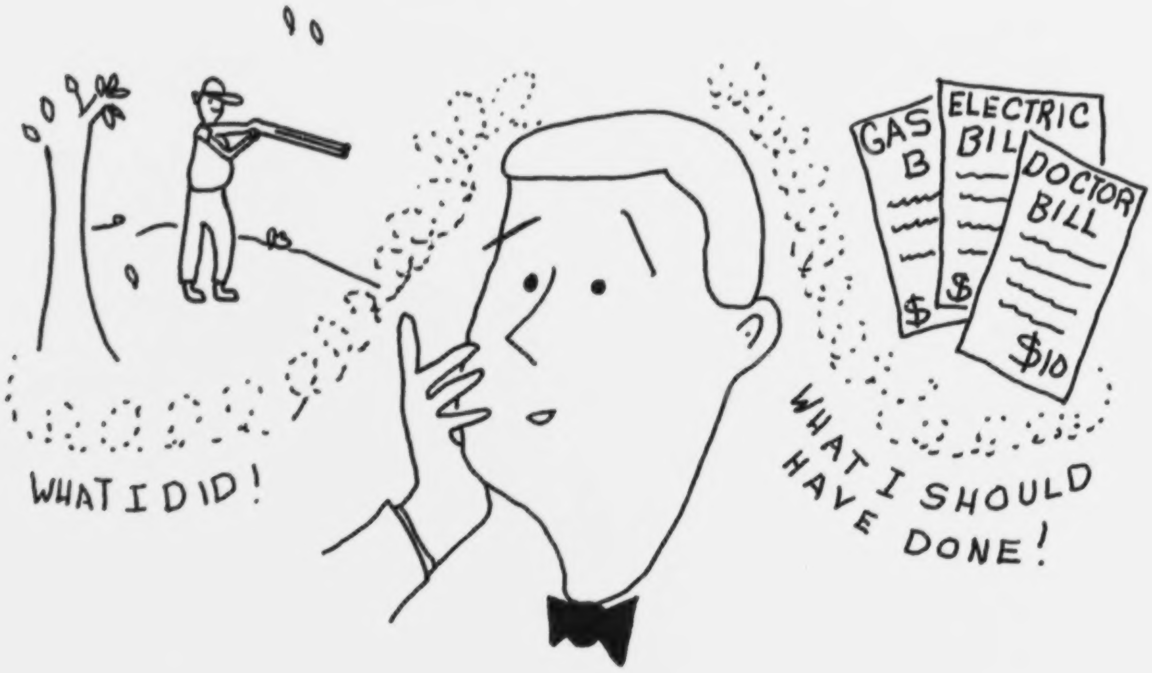
Was there enough money to pay the utilities at the end of the month? Did the McDonalds meet their goals? Did they make the last payment on Charles' coat? Buy a birthday present for Susan? Add $12.00 to savings? (At the end of the month the McDonalds will also have enough money to pay for utilities, buy a birthday present for Susan, make the last $5 payment on the coat Charles bought 4 months ago, but will have failed to add $12 to their savings at the bank.) On the whole, did the McDonalds have a fairly good plan? (Yes) Was it flexible? (Yes)

OUR FAMILY INCOME AND EXPENSES FOR THE MONTH OF March 1970

DATE	INCOME	FOOD	CLOTHING & LAUNDRY	HOUSING (Rent)	HOUSEHOLD EXPENSES	UTILITIES (gas, water, etc.)	TRANSPORTATION	PERSONAL	INSURANCE	MEDICAL	EDUCATION	RECREATION	CONTRIBUTIONS & GIFTS	INSTALLMENT PAYMENTS	SAVINGS
1															
2															
3	68.00														
4															
5															
6	4.00														
7	3.00	30.00	2.00		1.00		3.50	.75			.75				
8													.50		
9			1.00												
10	68.00														
11															
12															
13	4.00											1.00			
14	3.00	33.00	4.00		2.00		3.00	2.00			.25				
15													.50		
16			1.00												
17	68.00														
18															
19															
20	4.00														
21	3.00	31.25	6.00		1.00		5.75	1.00		10.00	3.00				
22													.50		
23			1.00												
24	68.00														
25															
26															
27	4.00											1.00			
28	3.00	32.50	5.00				6.50				1.50				
29													4.00		
30						15.00									
31				75.00										5.00	8.75
AMOUNT SPENT	300.00	126.75	20.00	75.00	4.00	15.00	18.75	3.75	—	10.00	5.50	2.00	5.50	5.00	8.75
AMOUNT PLANNED	300	125	18	75	4	15	19	4	—	11	5	2	5	5	12

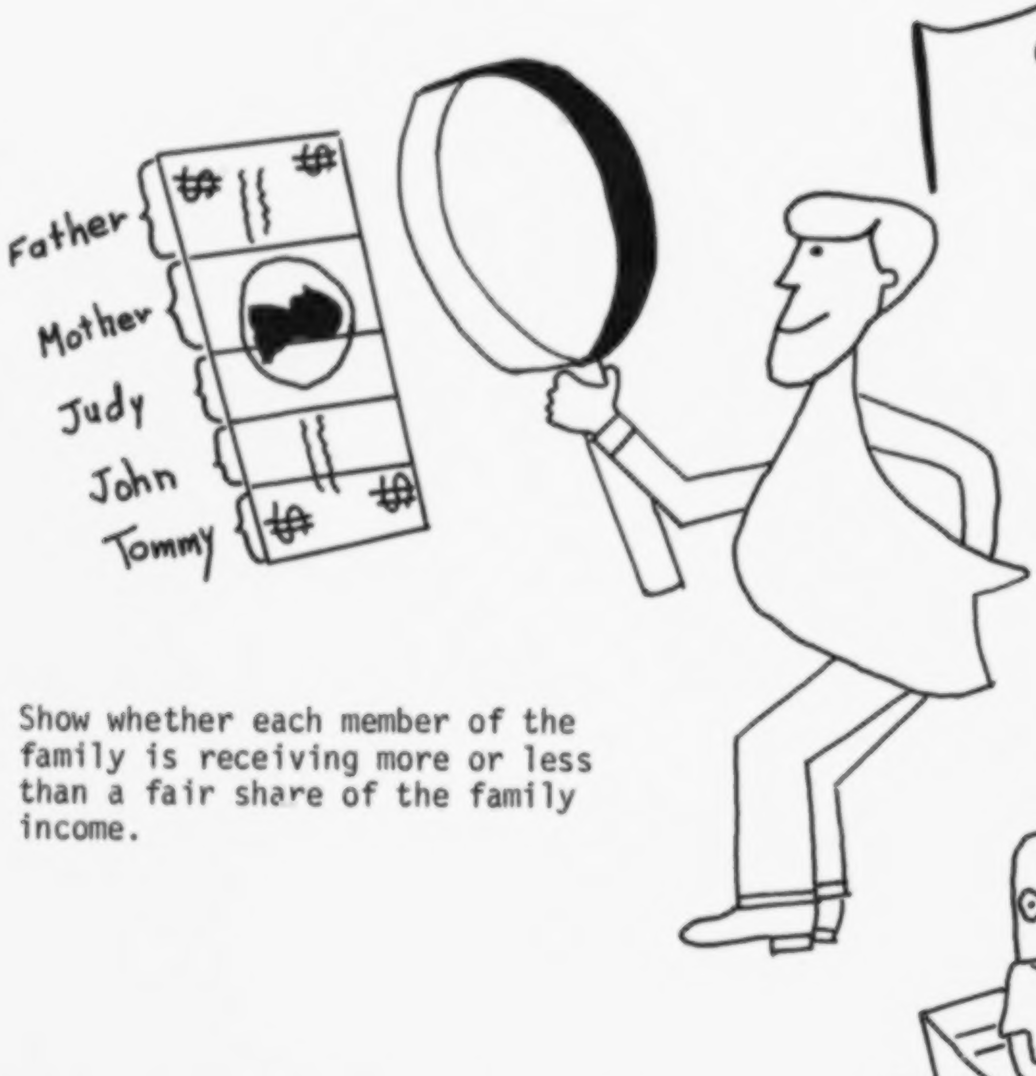

FAMILY
GOALS

Show the individual or family whether they are really progressing toward their goals in life, and getting what they want for their money.


WHAT I DID!
WHAT I SHOULD HAVE DONE!
GAS B
$
ELECTRIC BIL
$
DOCTOR BILL
$10

Show mistakes in spending.

Indicate whether spending is unbalanced or properly distributed among the different necessary items.


Father
Mother
Judy
John
Tommy

Show whether each member of the family is receiving more or less than a fair share of the family income.

Give a family a feeling of security because they know how much they can afford to spend.

OUR FAMILY INCOME AND EXPENSES FOR THE MONTH OF ________________ 19____

DATE	INCOME	FOOD	CLOTHING & LAUNDRY	HOUSING (Rent)	HOUSE-HOLD EX-PENSES	UTILITIES (gas, water, etc.)	TRANS-PORTA-TION	PER-SONAL	INSUR-ANCE	MEDICAL	EDUCA-TION	RECRE-ATION	CONTRI-BUTIONS & GIFTS	INSTALL-MENT PAY-MENTS	SAVINGS
1															
2															
3															
4															
5															
6															
7															
8															
9															
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30															
31															
AMOUNT SPENT															
AMOUNT PLANNED															

UNIT II: PLANNING
II-4. Follow That Plan!

OBJECTIVES:

To distinguish consumer habits which influence the success or failure of a plan
To identify family communication as important to the success of a spending plan
To reappraise plans in accordance with changing conditions
To evaluate the results of a spending plan

VOCABULARY: Shopping skill Impulse buying Installment credit Evaluation

There are several steps in making and using a spending plan. The first one is to know what you want and the second is to make a spending plan. This is what we've done in the last two classes. The third step is to follow the plan. This is the part that is up to you. You may find as you try to use your plan as a guide that you will need to make some changes, but don't give up. Most everyone has to make some changes before they are satisfied with their plan.

Let's look at some things you can do to help make your spending plan work. Use transparency [see p. 91] to illustrate points. Make cards with one of the statments under each roman numeral below per card. Pass these out for students to read as each cartoon on the transparency is shown or let them tell what is in the cartoons. Discuss as needed.

I. Develop shopping skill.
   Buy weekend specials or at sales.
   Use a shopping list so you won't be tempted to buy extra items.
   Buy secondhand items when they are suitable.
   Compare prices.
   Buy in quantity, if you can afford to.
   Beware of bargains, especially if you don't really need them.
   Pay cash if you can.
II. Decrease impulse buying.
   Everyone is tempted to give in to these impulses once in a while, but if it happens every time you go shopping, your plan for spending will soon be useless.
III. Use installment credit only when necessary.
   Items bought on credit cost more, so credit should be used only when necessary.
IV. Take care of goods you possess.
   Clothes last longer and look nice longer if they are kept clean and neatly stored. Food keeps better when it's properly stored.
   Equipment lasts longer and works better when the manufacturer's instructions are followed. When we take care of our possessions, they last longer and we get more for our money.

V. Learn to use resources other than money.
Skills of family members can be used and then others will not have to be paid for their services. For example, if the father can learn to fix certain items, repairmen won't have to be called. Use the city parks and recreation centers for free entertainment.

Sometimes spending plans fail. Why does this happen? Use transparency [see p. 92] as basis for discussion.

I. Needs of family haven't been planned for.
Some things are needed by the whole family, others are needed by individual family members. All wants can't be satisfied, so the most important ones must be agreed upon so the family can work toward these.

II. Your family tries to use someone else's spending plans.
You may see spending plans (budgets) in the newspaper or in a magazine. These plans probably won't fit your family, but may give you some ideas for making your own spending plan. A spending plan is personal, it must fit your family's needs.

III. Family members spend first and think later.
If something is needed or desired that isn't in your spending plan, the family may decide to substitute it for some planned purchase which may be postponed. If a family member purchases something without considering other family needs, a spending plan cannot succeed.

IV. The family is too impatient to give the budget a fair trial.
It takes time to make a spending plan that fits your family's needs. Your plan probably won't be completely successful the first time you try it. Be patient. Revise your plan and try it again until it works.

Can you think of other reasons a spending plan might fail?

Divide students into groups and give them situations from Four Families' Spending Problems [see p. 93] in which families are having difficulty with their spending plans. Let them identify the problem and decide what the family might do to solve their problem.

Have class read the story Communication Is Important [see p. 94] about a family which has poor communication among family members.

Why didn't the Murphys' spending plan work?
What can the family do to make their plan work?
Can you think of other ways communication might affect the success of the family's plan?

Read A Change of Plans [see p. 94] in which plans had to be changed.

Discuss the following questions:

Must a plan always be followed through?
What changes could occur which might make changing plans necessary?
Let students suggest what choices the family might consider now.

Once a family has followed their spending plan for a while, they will probably want to decide whether it works and how they could change it to make it better. This is called evaluating.

To evaluate how good your plan is, you need to know what to look for. Here are some questions which can help a family evaluate the results of their spending plan.

Using a take-apart visual [see pp. 95-96], let students add criteria for evaluating the results of a plan. Let students explain criteria in their own words.

1. Did you spend for some items you hadn't planned for? Why? What would you do next time?
2. Were you unable to get some of the things you wanted? Why?
3. Did you spend more than you planned?
4. Did you spend more than you should have for some items?
5. Do you feel good about your plans and your record keeping? What would you change next month?
6. What new things should you plan for next time?
7. Was your plan realistic? Were your estimated expenses much too high in one place and much too low in another?
8. Were you able to change your plan if needed? Were you able to meet unplanned expenses or emergencies without upsetting the whole plan?

Review the story about the McDonalds briefly, and have students work in groups to apply these criteria to the case study in the previous lesson on The McDonalds' Income and Expenses. What was the one thing the McDonalds might want to work harder to improve?

APPLICATION: Play the game [see pp. 97-101] on planning your spending and discuss answers with students.

KEY IDEAS: The success of a spending plan depends upon consumer habits.
The ways in which plans are communicated in the family affect their success.
Plans may need to be checked and changed when needs change or emergencies occur.
A criteria for measuring the success of a spending plan aids in evaluating.
Evaluation provides a basis for future planning.

The Intelligent Shopper
grade A!

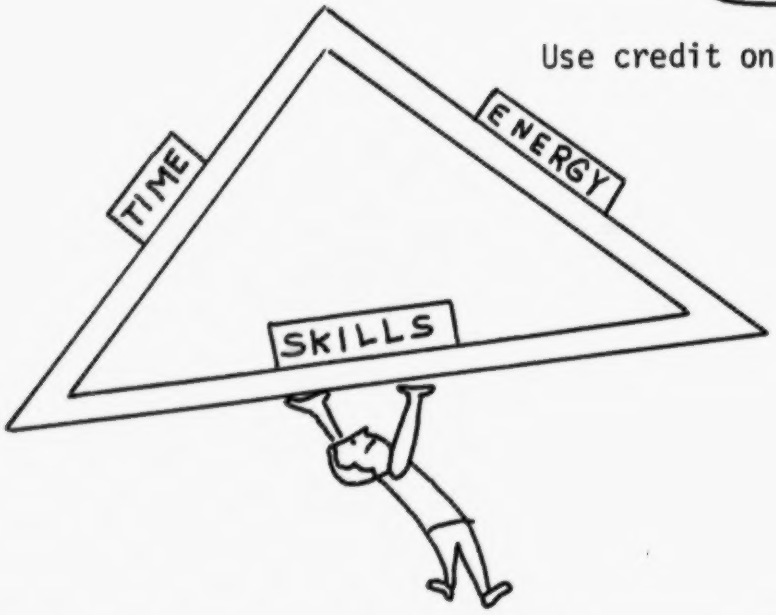
Develop shopping skills.

A Beautiful You PRODUCT

Decrease impulse buying.

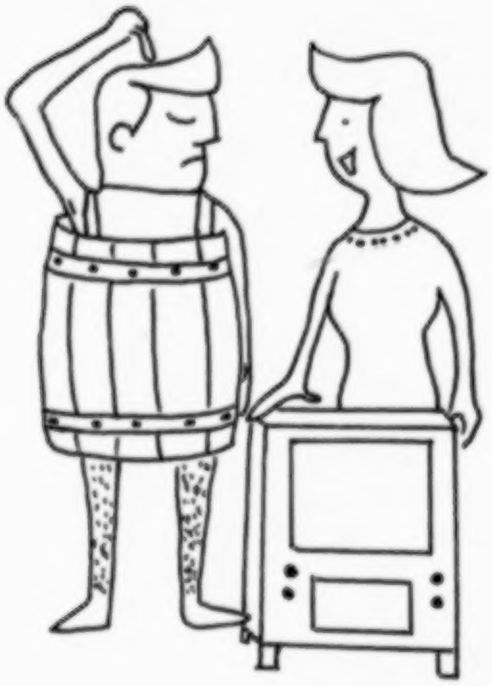
BILLS
MORTGAGE
PAYMENTS
BILLS

Use credit only when necessary.

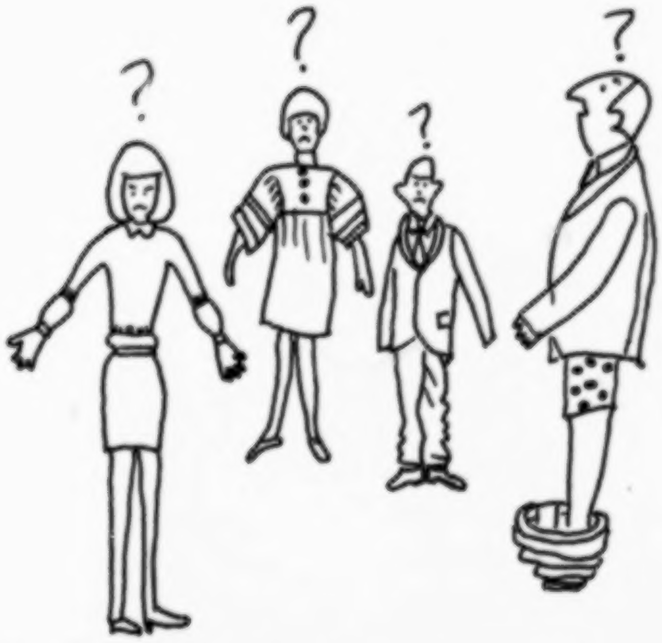

TIME
ENERGY
SKILLS

Learn to use resources other than money.

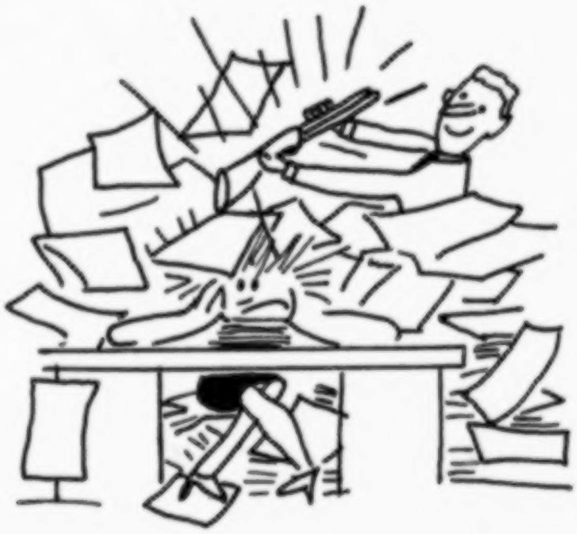
Take care of goods you possess.



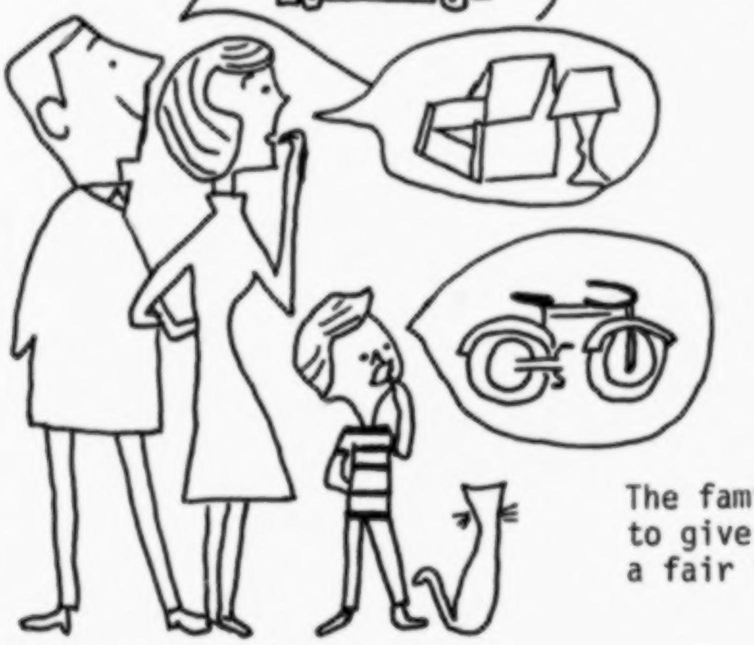
Needs of family members haven't been planned for.



Your family tries to use someone else's spending plan.



Family members spend first and think later.



The family is too impatient to give the spending plan a fair trial.

FOUR FAMILIES' SPENDING PROBLEMS

1. Mrs. Jones has found a dress on sale which would be just right for Jenny to wear to school. It is a nicer dress than she could afford otherwise. She had planned to buy school shoes for Jim this month and a dress for Jenny next month, and she can't afford to buy both. What could she do?

2. The Williams family has a problem. Mrs. Williams needs an operation, but the Williams have very little savings. They have a lot of installment payments on their furniture, car, washing machine, and refrigerator. If you were advising the Williams, what would you tell them about their present spending? What should they have done to provide for emergencies?

3. Mrs. Wilson found a spending plan in a magazine. She decided to try it for her family. The plan was made for a family of four. Mrs. Wilson's family has six members. Do you think Mrs. Wilson's spending plan will work? Why or why not?

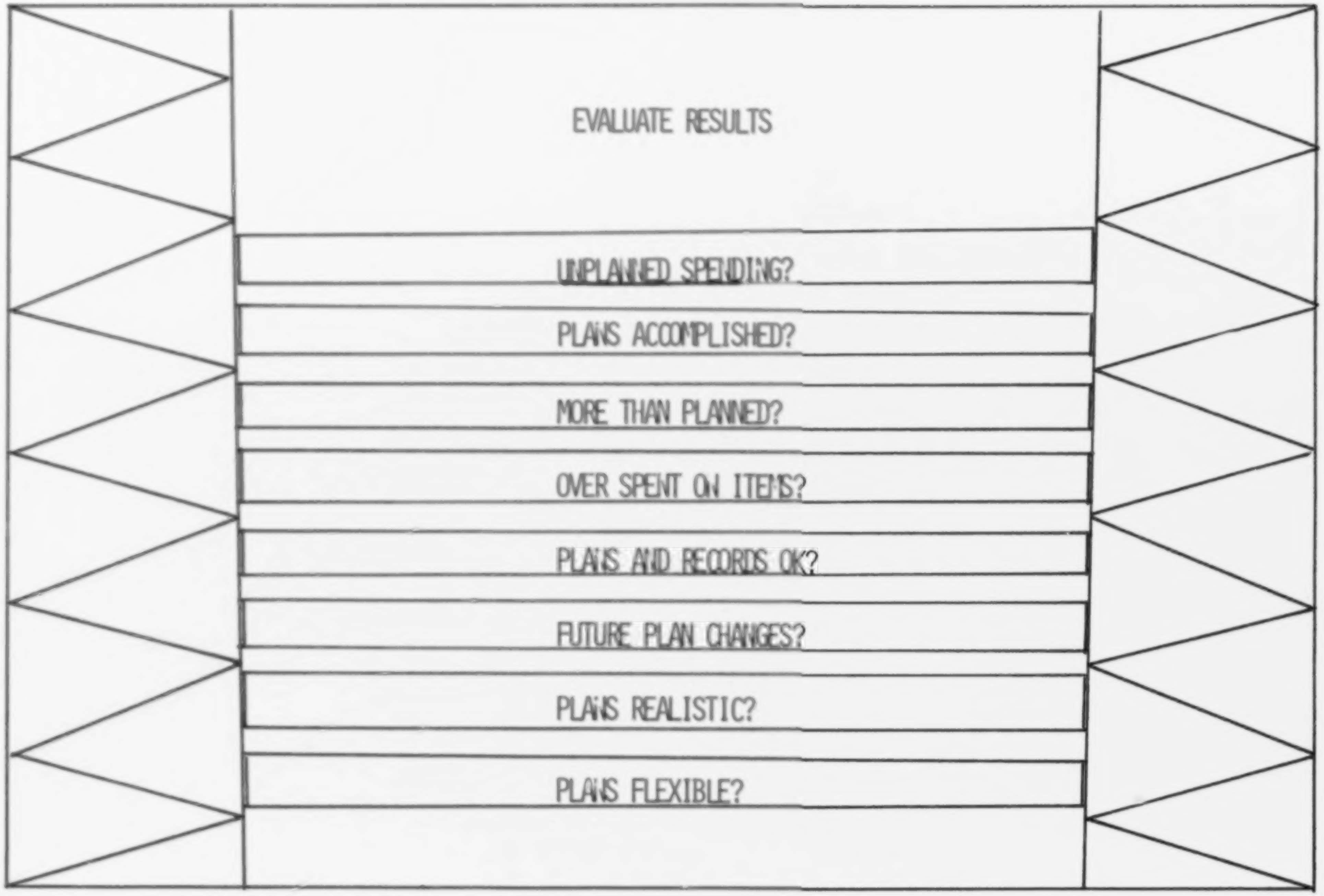
4. Mr. Johnson has gotten a raise. He will get $20 more pay each month. He goes to the store and buys a new set of wire hubcaps for his car to celebrate, but doesn't plan to tell his wife for a while. The hubcaps won't be ready for a few days anyway. He announces the new raise when he gets home. Mrs. Johnson suggests they all go out to eat and to a show. The next day Tommy blows his allowance on cokes and candy, thinking his allowance will be bigger now that his father has a raise. The same day Betty put a $20 dress on lay-away, planning to pay for it with Father's raise. The Johnsons have spent $85 in the three days since Mr. Johnson got his raise. What mistakes have the Johnsons made?

Communication Is Important

Mr. and Mrs. Murphy have decided to follow a spending plan. They sat down and decided what they would spend for each purpose. They have allowed $20 for clothing each month. Mrs. Murphy bought a new dress for $20. Mr. Murphy was angry because he said he needed new shoes. Mrs. Murphy said she didn't know he needed shoes. The Murphys allowed $115 a month for food. They were doing just fine until Mr. Murphy invited two couples for dinner. Mrs. Murphy didn't know what to do. She hadn't bought enough for company and had spent all the food money for that week.

A Change of Plans

Manuel and Sara Gonzales have been married about a year. They have most of the things they really need, but they would like to buy a better refrigerator. Their old one doesn't work very well. They have been saving $30 a month for the refrigerator for the past three months. Then Sara learns that she is going to have a baby. The Gonzales had planned to have enough money for the refrigerator in four more months. They will have to pay doctor bills during that time and save money for the hospital bills and things for the baby.


EVALUATE RESULTS
UNPLANNED SPENDING?
PLANS ACCOMPLISHED?
MORE THAN PLANNED?
OVER SPENT ON ITEMS?
PLANS AND RECORDS OK?
FUTURE PLAN CHANGES?
PLANS REALISTIC?
PLANS FLEXIBLE?

DIRECTIONS FOR MAKING POSTER

Materials Needed:

2 pieces colored poster board (22" x 28") in harmonizing colors
4 sheets colored construction paper (9" x 12")
Scissors
Black felt-tipped marker

1. Cut 10 triangles (base 4 in., height 4 1/2 in.) of one color construction paper.
2. Cut 8 triangles (base 4 in., height 4 1/2 in.) of a contrasting color construction paper.
3. Use marker to letter "Evaluate Results" on one sheet poster board.
4. Cut 8 strips of second sheet of poster board, 1 1/2 in. wide.
5. On each strip letter one phrase.
6. Glue triangles on poster.
7. Cut 2 slits 1 1/2 in. wide on each triangle base facing the center of the poster.
8. Insert ends of the 8 strips into the slits.

GAME ON PLANNING YOUR SPENDING

Introduction to teacher

This game is a card sort consisting of thirty statements on planning your spending. The game may be used as both a pre-test and a post-test. When using it as a pre-test, explain that the purpose of the game is to let students help you plan lessons on planned spending by telling you whether they agree or disagree with each statement. If you plan to use the game as a post-test, too, tell students that they will play the game to see if they have changed their minds about any of the statements. Be sure to discuss the game with students after playing it.

Constructing the cards

Divide construction paper into fourths or use colored ditto paper, using several colors. Print or type one statement [see pp. 98-100] on each colored card (about 4" x 6") or on dittos (4 statements per ditto) to be run on colored paper. On three cards print the words, "I agree," "I don't know," and "I disagree." Draw a representative caricature [see p. 101] to go with each choice. On another card draw an owl [see p. 101] saying, "Whoo," and provide a line for students to sign their names.

Sort the cards into piles so that the cards in each pile are in the same order. Provide one stack of cards (statements, choice cards, and name card) for each student. Read the following directions:

Getting ready to play

Step 1. Take the rubber band off and remove the three paper clips from the card with the owl on it. Write your name on the line.

Step 2. Remove the next three cards from the stack. Place the cards on the table in front of you in a row like 1, 2, 3--"I agree," "I don't know," "I disagree."

Playing the game

Now we are ready to play. Each of the colored cards left in the stack has a sentence on it. To play the game, place each card below one of the three cards on the table. If you agree with the sentence, put the card below the "I agree" card. If you disagree, put the card below the "I disagree" card. If you don't know whether you agree or disagree, put the card below the "I don't know" card. Try not to put very many cards in the "I don't know" stack.

I will read each sentence twice. Decide whether you agree or disagree with the sentence or don't know and put the card in the correct stack. After the game we will talk about our ideas. Are you ready? (Read each card slowly while the students place the cards in the three stacks.)

After the game

Did you change your mind about any of the statements? Which ones? Why did you answer them differently?

Now keeping your cards in order, place the "I agree," "I disagree," and "I don't know" cards on top of the stacks. Paper clip each stack together, put the card with the owl on top and put the rubber band around all three stacks. Leave the cards on your desk as you leave. (Or take them up.)

Card Sort Statements

Lesson 1

Families who decide together how they will spend their money have fewer fights over spending than families where each member buys things he wants until the money is all gone.

When you use a plan for spending your money, you must count every penny and write down every cent.

Trying to plan how to use your money will cause your family to get into more fights about money.

Having a plan for spending your money will take all the fun out of buying things.

Even after you learn how to make and use a plan for spending your money, it takes too much time and patience to do it.

Making and following a plan for spending your money will help your family to get more of the things they want, such as a TV, a washing machine, or a new place to live.

Your family must know what it wants, such as a new washing machine, before you can decide how to spend your money.

Your family is more likely to get the things you want, such as a TV, and the things you need, such as food and clothing, if you work together to decide how you will spend your money.

Children should not be included in deciding how your family's money will be spent.

To make your money spending plan work, you must know how much your family spends each month on things like food, clothing, and rent.

Writing down how much you spend and how much you earn for each month is one step in deciding how you will spend your money.

Lesson 2

Since all families must have food, clothing, and a place to live, the same plan for spending money should work for most families.

To get a good plan for spending money for your family, cut one out of the newspaper or a magazine.

A good plan for spending your money is made to fit your family's needs for food, clothing, housing, and other things.

The easiest way to learn how your family is spending its money is to write down how much you spend for different things for a month.

Your family will probably get the things it wants even if you don't plan your spending.

You are more likely to get the things you want if you plan how you will spend your money and then follow your plan.

There are several good ways to keep a record of how you spend your money.

One way to keep up with how you are spending your money is to divide your pay into envelopes for different purposes such as food, clothing, and medical.

Lesson 3

Keeping all your important papers together in one place in a family business center makes them easier to find when you need them.

There is no reason to keep your important papers all together in one place.

When the month is over, your spending records should be thrown away.

Last month's records of what your family earned and what your family spent can help you plan how to spend your money next month.

Planning your spending will make it easier to say "no" to something you see in the store that you do not really need.

Good shopping habits like using a shopping list or using credit carefully help to make your plan for spending your money work.

Skill in shopping such as comparing prices and shopping around before you buy can help you get the things you want and need for less money.

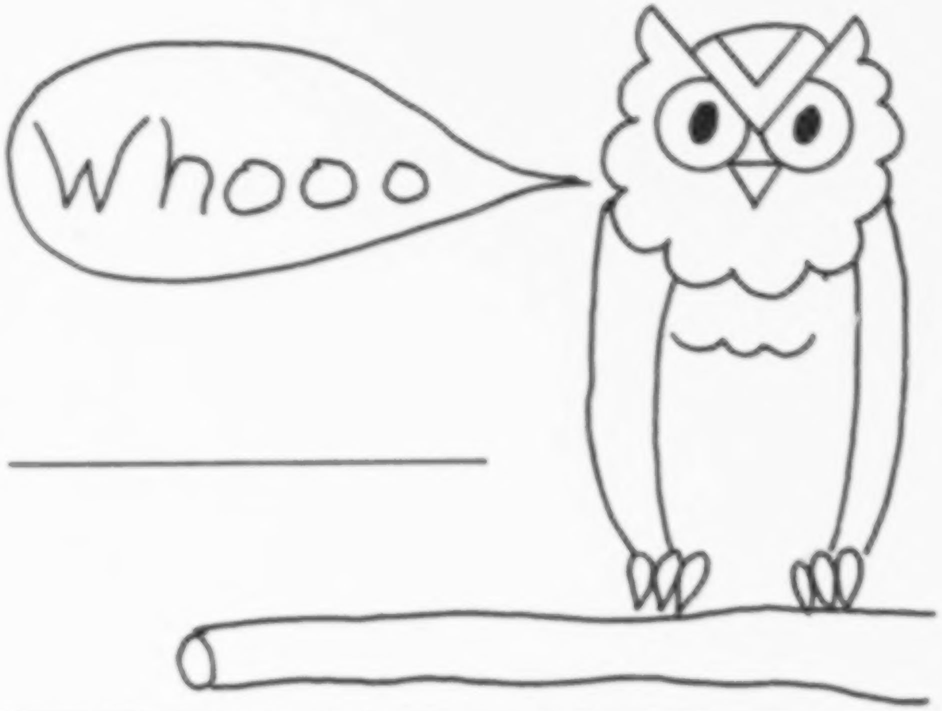
Lesson 4

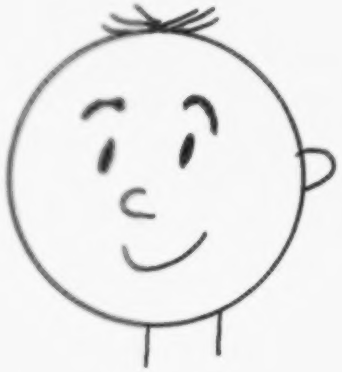
You and your family should decide together the things your family needs, such as rent, and things they want, such as going to a movie.

When you decide to buy something, there is no reason to tell anyone else in your family.

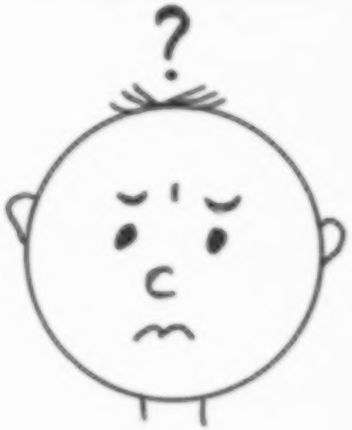
Your family will need to change its plan for spending money as your family changes--like when you have a new child or get a raise, or a child gets married and leaves home.

Once your family plans how to spend its money in a way that works well, you should never change your plan.

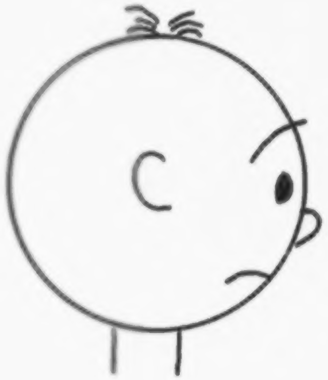




I agree



I don't know



I disagree

UNIT III: BUYING
III-1. Shopping Tips

OBJECTIVES:

To recognize the role of attitudes in buying
To analyze buying practices in a particular situation
To name sources from which information about products may be obtained
To determine types of information to obtain before making specific purchases

VOCABULARY: Attitudes   Decision-making   Comparative shopping

Most of the things we want and need cost money. Food to eat, a place to live, and school for our children all cost money. We all have limited incomes and we work hard for our money. We want to get the most we can for our hard-earned dollars.

Would you like to learn how to "stretch your dollars"? Use transparency [see p. 107]. This means getting more for your money through careful buying and is the topic which we will be studying in the next few lessons.

Give students slips of paper containing part of a statement involving a buying situation [see p. 108]. Ask each student to complete his sentence by telling how he feels in this situation. Distribute statements in such a way that more than one person reacts to the same statement.

These feelings you have expressed are called attitudes and they affect your buying practices. If one feels proud and happy when buying something big, he might spend more time shopping around so that this feeling of pride will last a long time after the purchase is made. If one feels bad when he is almost broke, he may work hard so he won't get into that situation very often. Everyone has feelings about these situations which involve money. Did you all feel the same way? Thus, we see that different people have different feelings about money. These feelings are neither right nor wrong, but reflect your own tastes, preferences, and feelings.

The particular meaning money has for you becomes a factor which influences the way you spend your money. The use of money is influenced not only by one's feelings or attitudes about money, but also by one's attitudes about many other things; personal attitudes about food, fashions, recreation, transportation, or security affect the way one uses money to get these things.

Have students dramatize the attitudes described in the following statements and the effect these would have on buying practices.

A. Mrs. Johnson says, "There's more where this came from." If this is her attitude toward money, how will she behave in the store?

B. Mrs. Adams says, "If the Joneses can afford a color TV, so can we." How will Mrs. Adams spend her money?

C. Mrs. Garcia is always expecting something terrible to happen, and says, "Who knows, disaster may strike tomorrow." How do you think this attitude will affect her buying practices?

Use the suggestion for the flannel board [see p. 109] as a basis for the following discussion:

The decisions you make about what to buy are affected by your values (what you think is important in life) and by your goals (the things you want to accomplish now or in the future). The things your family needs and wants will be important, too. Your resources (the things you have available to use in reaching your goals like money, time, energy, and skills) also help you to decide what to buy.

In making a decision about what to buy, there are several steps you can take to help make a decision you will be happy with. These steps are:

(1) Identify the problem--What do I need? Make a buying plan.
(2) Identify possible solutions--How can I get whatever I need? What resources are available for me to use? What products are available which would satisfy my needs? What features do they have? Should I buy now or wait? Should I use credit?
(3) Weigh possible solutions--Which solution is best for my family? Which will help me to reach more of my goals? Make the best use of resources? Meet more of my family's needs and wants?
(4) Choose one solution--Which solution seems best? What will be the possible outcomes of choosing this solution? Will I be happy with my decision later?
(5) Try the solution--What do I need to do to put my solution into action? Make a shopping plan.
(6) Evaluate the results--Was this solution satisfactory? Would another solution have been better? What should I do next time?
(7) Make a new plan, if needed--Would I do the same thing next time? If not, what should I do?

Another thing that may affect a family's buying practices is whether or not they make a practice of learning what is available, what features to look for, and what price they may expect to pay before they make a purchase. Let's see what you think of the Hope family's experience.

> The Hopes' washing machine had finally stopped running and after the repairman told them repairs would cost at least $76, the Hopes decided to buy a new washer. That evening, they decided to go to the new discount center, MORE-FOR-LESS, to shop for a washer. There was plenty of parking space and the advertising circulars they had received promised fantastic savings.
>
> The Hopes went directly to the appliance department where they were greeted by a friendly salesman. He quickly informed them

> that they had come at just the right time to get "the buy of a lifetime." It just happened, the salesman told them, that MORE-FOR-LESS was featuring a nationally known brand of washing machines at an embarrassingly low price because the owner had managed to buy a carload of washers directly from the factory. The salesman told the Hopes that if they bought this washer anywhere else they would have to pay $295. However, today they could buy it at MORE-FOR-LESS for only $200. Needless to say, the Hopes couldn't pass up a good deal like this. They signed the installment contract on the spot, and left the store congratulating themselves for having been so quick to spot a bargain.

Do you think the Hopes made a good buy? Why or why not? This washer could have been "the buy of a lifetime," but we can certainly tell from the story that the salesman had a good sales pitch and presented an attractive deal. However, there were many things he failed to tell, and the Hopes didn't bother to ask.

The Hopes really should not have signed an installment contract for the washer before they considered the following points:

(1) Cost of other washers. The Hopes hadn't found out the range of prices of washing machines before they made their purchase, nor had they discussed how much they could afford to spend.
(2) Kinds of washing machines available. There are three general types of washers--the nonautomatic, the automatic, and the combination washer-dryer. Each type is available under a number of brand names, but the Hopes had not considered these things.
(3) Features to look for. Here are some of the features the Hopes might have considered:
    (a) Some washers have a tumbling action and some have agitators. Agitators are usually harder on clothing than tumblers. Which did the Hopes get?
    (b) Washers may be either top loading or front loading. Both have advantages.
    (c) Washers vary in the number of pounds of clothes they will wash from 8 pounds to 14 pounds. The Hopes didn't consider the size best for their family.
    (d) Good washers may be used in different ways. Some washers allow you to change the water temperature, amount of water, washing time, and speed, or let you skip part of the cycles. Did Mrs. Hope know which of these features she wanted?
    (e) Washers should have a safety switch so that parts stop moving when the lid is opened during the cycle. They should also be grounded to prevent shocks.
    (f) All washers should have porcelain-enamel or stainless steel tubs.

In addition the Hopes failed to:

*Find out whether the model they bought was a new one or a discontinued one.

*Ask about the terms of the guarantee or warranty.

*Ask if there were any special installation requirements. The Hopes learned later that their plumbing would have to be changed to fit the new washer at a cost of $25.

*Get information about service. The Hopes didn't know if they would have to pay for service for the first year or whether qualified servicemen were available in their area.

*Measure the space available to see what size washer would fit. The Hopes were lucky that their new washer did fit.

Their most serious mistake, however, was taking the salesman's word that the original price was $295. As it turned out, the Hopes later saw the same washer priced at $225 including installation and repairs for 1 year, so they really didn't save anything.

We might summarize the things one should do before making a purchase as follows: (Use a visual or blackboard to aid in summarizing.)

(1) Make a plan and stick to it whenever possible.
(2) Decide exactly what requirements you want for big and little purchases.
(3) Know when to save money. Good buys are frequently available to people who shop off-season, following holidays, at periodic sales for certain items, anniversary sales, weekend sales, etc.
(4) Know where to buy.
(5) Compare prices and quality. Check newspapers, magazines, and advertisements. Go to several stores. Check other things besides price--like guarantees and warranties and service available. Look for U.S. grades and inspection stamps. Remember that you don't always need the best quality.
(6) Take time to shop and consider carefully when making large purchases.

There are several ways you can learn about products before you buy them. Use the transparency [see p. 110] as a basis for discussing the main sources of information.

Labels

A good label should provide you with information about contents, quality, quantity, trade name, price, how to use the product, grading, and special instructions for care of the product.

U.S. Grades and Inspection Stamps

These tell you that the product has been inspected and found to be clean and wholesome and free of harmful preservatives. They may also tell you what the quality of the product is.

Guarantees and Warranties

Tell you what promises the manufacturer or seller makes and what his obligations are.

Magazines and Books

Frequently have articles about new products that are available and sometimes compare several products.

Advertising

Through advertising you may learn about products, find out what is available, compare prices, learn where to shop.

Government Bulletins

These are frequently free and are available on a large number of products. They may give you hints on what to look for in a product.

Friends, neighbors, and relatives

By sharing experiences you can learn more about products they use, points to consider, etc.

How could studying information about a product before you buy save you time and money?

APPLICATION: Give students slips of paper listing something which might be purchased and let students tell where they would get information about it and what information would be needed. Give additional suggestions when needed.

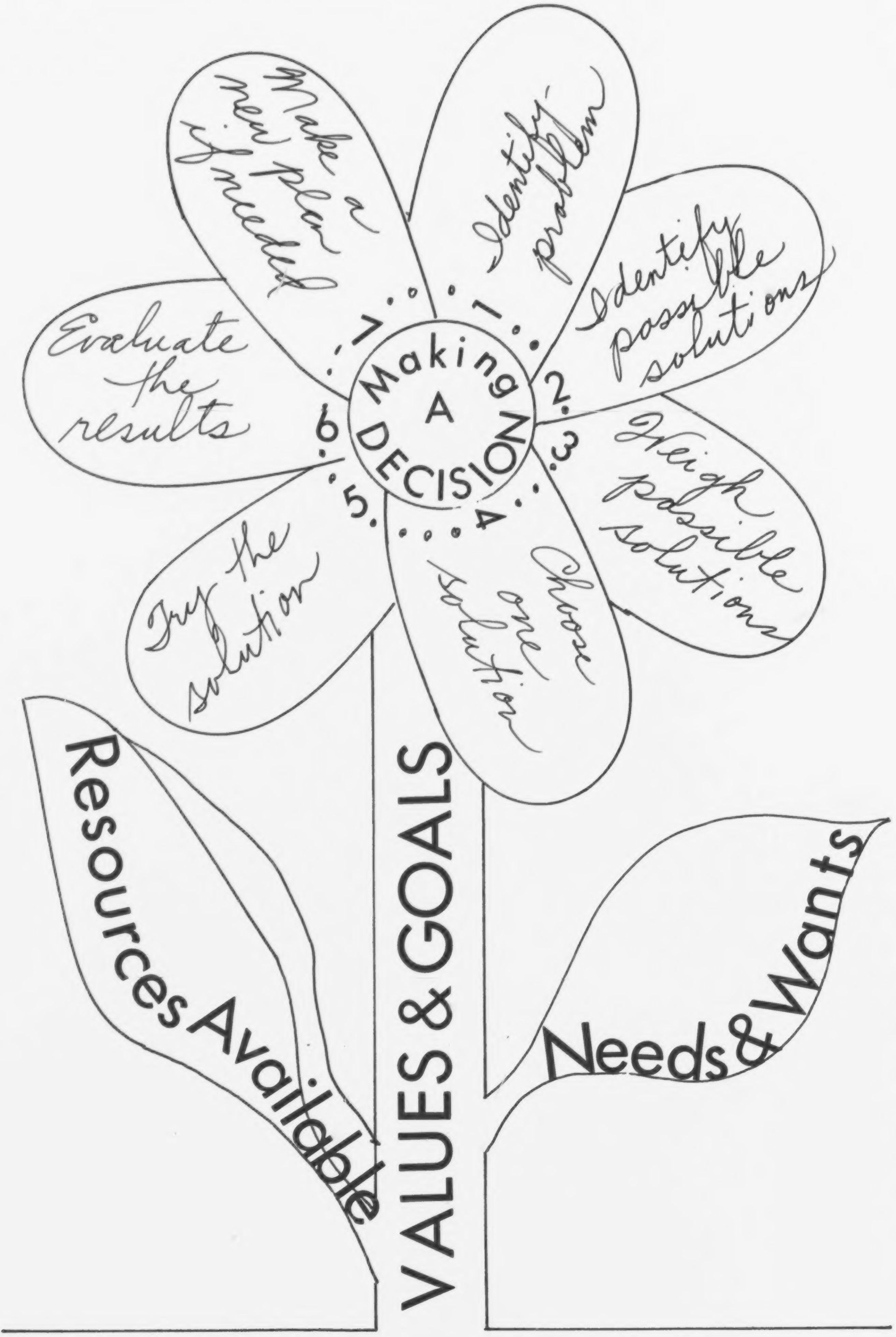
(1) A pair of slacks for an 8-year-old boy
(2) A refrigerator for a family of seven
(3) A party dress for a teen-age girl
(4) A couch for a family with three small children
(5) Play clothes for a 5-year-old boy
(6) Tomatoes--for a salad, for soup, for a cold vegetable
(7) A used car for a family of four who have a very small income
(8) Eggs--for frying, for other cooking purposes
(9) A house for a family with two small children--a girl and a boy
(10) Dress shoes for husband who wears them infrequently

KEY IDEAS: Attitudes toward spending money, shopping for merchandise, and making decisions affect buying practices.
Collecting and studying information before buying helps in making sound consumer decisions.
Preliminary study of information can help save time and money.

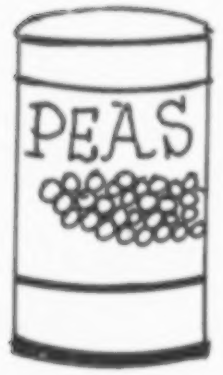
LEARNING HOW TO S-T-R-E-T-C-H your dollars

INCOMPLETE STATEMENTS ON BUYING

(1) When buying something big, like a washing machine...
(2) When I have extra money to spend...
(3) When I'm almost broke...
(4) When buying a new dress...
(5) When I spend more for groceries than I intended...
(6) When an emergency has upset my plans...
(7) When I've finally gotten something I've wanted for a long time...
(8) When I have money to give the kids a treat...
(9) When I can't buy something I really want...
(10) When I buy something that I don't really need...


Making A DECISION
1. Identify problem
2. Identify possible solutions
3. Weigh possible solutions
4. Choose one solution
5. Try the solution
6. Evaluate the results
7. Make a new plan if needed
VALUES & GOALS
Resources Available
Needs & Wants

SOURCES OF BUYING INFORMATION

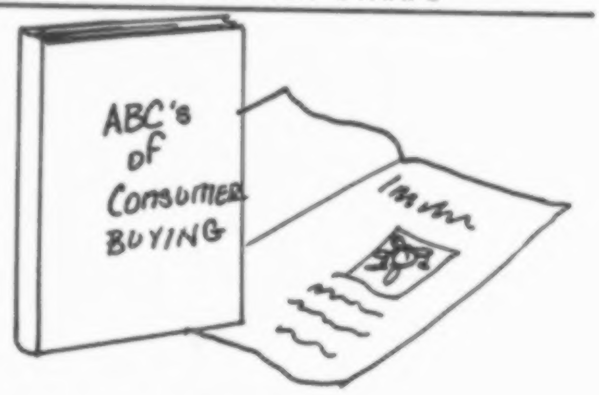


LABELS

U.S. GOVT
INSPECTED

U.S. GRADES AND
INSPECTION STAMPS

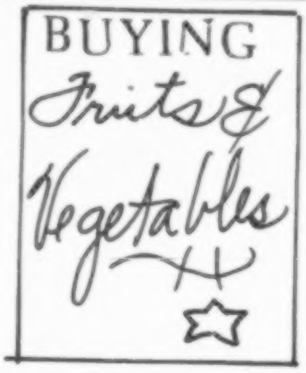
GUARANTEES AND
WARRANTIES


ABC's of Consumer BUYING

MAGAZINES AND BOOKS

SPECIALS
23¢
15¢ a lb.
SHOP AT FOOD STORE

ADVERTISING


BUYING
Fruits &
Vegetables

GOVERNMENT BULLETINS

FRIENDS, NEIGHBORS, AND RELATIVES

UNIT III: BUYING
III-2. What Do I Need?

OBJECTIVES:

To explain the value of making preliminary buying plans
To practice making preliminary buying plans before entering the market place

VOCABULARY: Quality Durability Style Guarantee or Warranty
Basic Four Food Groups

Present a skit [see pp. 116-117] illustrating a shopper who did not plan before shopping. "What improvements could Mary make in her shopping practices?"

She should know what she needs before she goes shopping.
She shouldn't have gone shopping when she was feeling bored.
She should have tried the dresses on.
She should have considered whether or not she could wear the shoes with other things.

What should be included in preliminary buying plans? Use transparency [see p. 118] to illustrate.

Item needed
Price range in relation to budget
Quality in relation to intended use
Durability needed
Number
Size
Color
Style
Workmanship
Special features or requirements
Convenience
Time
Energy
Space available or required
Care needed
Guarantee or warranty

Example: If you needed a party dress which you would only wear a few times, you might not want to spend a great deal of money for it. It would not have to be of the best quality, nor would it have to be very durable. You would need to know what size you wear and the color needed to go with shoes, bag, and gloves you planned to wear. For a party dress to be worn only a few times you might want to buy the latest style. But if you were choosing a coat to wear for several seasons you might choose a more conservative style. Workmanship might not be too important, either. If you particularly wanted a dress with a V-neckline or one with sleeves, these would be special features, or requirements. In deciding whether to make or buy the dress you would need to compare the convenience of buying it ready-made with the time and energy you have available for making it. Clothes take up space, so you may need to check your closet to see if you have room for a new dress. In choosing the dress, check to see what care is required: whether it may be washed or must be dry cleaned. If it is washable, is it guaranteed not to shrink or fade?

ACTIVITY: Let the students work in groups to decide what they would include in preliminary plans for a washer, stove, refrigerator, TV, or stereo. Have groups report to class. Add to lists as needed. Tape record or list conclusions.

Ask students to think of something they will buy in the near future. Let them decide what qualities they would look for in each item. Tape record or list conclusions.

What can you think of that you buy every week? Food. Because food is something we all must buy, it is a good place for us to practice planning. Having healthy, well-fed families is probably a goal for all of us, but it takes planning to reach this goal. In order to have a well-fed family we must plan to serve the right foods to keep them healthy. To be sure we are choosing the right foods, we can divide our foods into four basic food groups and then be careful to serve the right number of foods from each group every day. [Use visual, see p. 119] The groups of foods are: the meat group, the vegetable fruit group, the bread-cereals group, and the milk group. The foods in each of these groups are important for keeping your family healthy and full of energy.

Let's look at foods which are included in each group. The meat group includes poultry, beef, veal, lamb, and pork. It also includes variety meats like liver, heart, and tongue. Luncheon meats, bacon, salt pork, and mixtures that are mostly meat are also included, as well as fish, shell fish, and eggs. The meat group also includes some foods which are not meat. They are included because they do many of the same things that meat does to keep your family healthy. These foods include: dry beans of all kinds, dry peas, lentils, soybeans and soya products, peanuts, peanut butter, and tree nuts. Soups that are mostly legumes--like bean soup or split pea soup--are also included. Place pictures of a number of these foods on the visual. Your family needs two or more servings from the meat group each day. The meat group is our chief source of protein, which is needed for growth and repair of body tissues--muscles, organs, blood, skin, and hair. It also provides vitamins and minerals.

Because it is important to have some of the foods in the fruit and vegetable group every day and some only every other day, we can divide the group so we can be sure we are planning to have enough of these foods. We need to serve a dark green or deep yellow vegetable at least every other day. These vegetables give us Vitamin A, which is important for good eyesight. Let's see how many dark green or deep yellow vegetables we can name: (broccoli, chard, collards, kale, spinach, other dark greens, green peppers, carrots, pumpkin, yellow winter squash, sweet potatoes) Put examples of these on the visual.

We need citrus fruit or tomatoes, which supply Vitamin C, every day for strong bones and teeth. Examples include grapefruit, lemons, limes, oranges, tangerines, and tomatoes. Put pictures of these on the visual.

We also need other fruits and vegetables, including potatoes, for color, food value, and variety. Here we include all the fruits and vegetables which don't fit into the other two categories. We need four or more servings of fruits and vegetables each day.

To provide the pep and energy we need each day, we need foods in the bread and cereals group. This group includes breads, cooked cereals, ready-to-eat cereals, cornmeal, crackers, flour, grits, macaroni and spaghetti, noodles, rice, rolled oats, and quick breads and other baked goods if they are made with whole grain or enriched flour. It takes four or more servings daily to provide the energy we need.

Another important group of foods are found in the milk group. This group is our major source of calcium which is also needed for building strong bones and teeth. It also provides high-quality protein, riboflavin, Vitamin A, and many other nutrients which help to keep our bodies strong and healthy. The milk group includes milk in all forms--whole, skim, buttermilk, dry, evaporated, condensed. It also includes cheese, cream, and ice cream, which are made from milk, as well as other foods which are mostly milk, such as puddings and custards. The number of servings a person needs varies with age, during pregnancy, and when a mother is breast-feeding her baby.

We also need some fats and oils each day. Some sugars and sweets may also be included. These add little to our diet except energy. Then there are a few things in our diets which do not fit anywhere else, like tea and coffee, which we may put in the "other" category. Give some suggestions for low-cost selections in each food group. Let students name their favorite foods in each group.

In addition to knowing the number of servings needed daily in each of the food groups, we also need to try to plan for variety in temperature, color, flavor, and texture in our meals. This means having some hot foods, some cold foods, and some in between, but not all hot foods or all cold foods or all in between in each meal. Foods in one meal should include a variety of colors, such as red, yellow, green, and brown, instead of all being one color. Some foods may be sweet, some may be sour, some may be rich, but they should not all be the same. Texture should be considered also, i.e., some foods are crunchy, like cabbage; some are chewy, like caramels; soft, like pudding; or liquid, like milk.

Consider yourself, too. Don't plan all foods that take a lot of time and effort for the same meal. If Monday is washday, plan foods that are easy to fix or that may be made ahead of time.

Now let's try planning menus for one day, for a family with two children ages 8 and 11. Use visual [see p. 119].

Let's begin with breakfast as this meal follows more of a set pattern than other meals. What shall we have? (Fruit, or fruit juice, cereal, milk, bread and butter or margarine, eggs or breakfast meat for variety) Next we will plan the light meal of the day. This is called lunch if it is the noon meal and supper if it is the evening meal. It often consists of soup, fresh fruit, salads, sandwiches, or one-dish casseroles, quick bread, dessert, and beverage. [Place Dairy Council food models or pictures of foods planned for each meal in the correct basic food group category under that meal.] NOTE: Not all families follow the three-meal pattern, so it is important to know your group and their usual eating patterns.

The heaviest meal of the day, whether served at noon or at night, is known as "dinner." Menus for dinner usually include a main dish, which may be meat, fish, poultry, or other protein-rich food from the meat group. In addition, there should be one or more vegetables. As in luncheon menus, dinners may also include soups, salads, breads, and desserts. Let's decide on foods for our dinner. [Place pictures of these foods on the visual.] Now let's see if we have included enough servings in the different food groups and change our menu where needed.

Let's see if the meals we have planned have variety. (Consider temperature, color, flavor, and texture separately and make changes as needed.)

How often do you shop for groceries? Most people shop once a week for most things and buy small items like bread and milk as needed. Just for practice, let's make a shopping list for the day's menu we have planned. Let's begin with the meat group. (Follow through for all groups until everything has been considered. Items likely to be on hand, like flour, sugar, salt, pepper, and spices, need not be included.)

In planning menus for a whole week, first check to see what you have on hand that may be used next week. Then check the newspaper and grocery circulars to see which foods are good buys for the week. You will probably find it easiest to plan dinners around the meat dish which you choose. Next add fruits and vegetables which are in season or which are good buys for the week. Add foods in other food groups until you have enough for the required number of servings in each group each day, including snacks. Next, check the meals you planned for variety of temperature, color, flavor, and texture. Make any changes you need to. Now you are ready to make your shopping list.

A shopping list is easiest to follow if it is written in the same order that you will find the items in the store. List each item you need and the amount you need. If you are buying a brand that is on special or need a certain size can, you might jot that down on your list, too. Be sure to check recipes for items and amounts needed. Also check your supply of staples like flour, sugar, salt, pepper, spices, etc. or, better yet, keep a list handy during the week to write down these things as you run out or discover you are low on them.

APPLICATION: Here is a menu for a week. [see pp. 120-122] Let's practice making a shopping list for it. Work together as a class, using the chalk board. Have newspapers and cookbooks handy for references. If there is a question about which group a food belongs in refer to the chart. [see p. 123] Simply lay the menu page over the chart with food groups extended. The Suggested Shopping List [see p. 124] may be a helpful reference for the teacher. NOTE: Asterisks on menus indicate foods which are often received as food commodities by welfare families. Blank menu pages [see p. 125] may be distributed to students, so they may plan their own menu.

KEY IDEAS: An efficient consumer makes preliminary buying plans before entering the market place.

SHOPPING WITHOUT PLANNING

Mary Johnson was bored on Saturday afternoon, so she decided that a shopping trip would be just what she needed to cheer her up. Here she comes now into Brown's Department Store.

Mary: Oh, look! Brown's is having a sale! I can hardly wait to see what they have. I'm so glad I came shopping, I feel better already!

Saleslady: May I help you?

Mary: I saw the sign in the window. I'd like to look at the things you have on sale.

Saleslady: Good! We certainly have a lot of nice things on sale today. You can get some real bargains. Step this way, please.

Mary: Oh! Look at those cute dresses! That's what I want to look at!

Saleslady: I'm sure you'll find one you like.

Mary: This one is beautiful. And it's just my color. And here's another one. Oh, but I don't have any shoes to wear with it. Maybe I'll get some shoes, too.

Saleslady: Then you want both dresses. Would you care to try them on?

Mary: Well, maybe I should.

Saleslady: I believe all the dressing rooms are in use right now, but if you'd care to wait....

Mary: Oh, I'm sure they'll fit.

Saleslady: Well, if you're sure. Now do you want to see some shoes?

Mary: Yes, I think I will.

Saleslady: We have some shoes on sale, too.

Mary: This must be my lucky day.

(Mary find shoes she likes.)

Saleslady: Will that be all?

Mary: Yes, I really didn't plan to buy anything, but I'm so glad I came shopping.

Saleslady: That will be $32.50.

Mary: $32.50! Oh, dear, I really shouldn't have spent so much.

Saleslady: I'm sure you'll enjoy them, dear.

Mary: I did get some good buys.

(Later, at home, Mary is standing in front of the mirror trying on one of her new dresses when she hears a knock at the door.)

Sally: Yoo Hoo! Mary!

Mary: Come in, Sally.

Sally: Oh! I see you've been shopping.

Mary: Yes, and I'm so unhappy. I went shopping to cheer myself up and now I wish I hadn't.

Sally: Why? What's wrong, Mary?

Mary: I bought two dresses on sale at Brown's and I didn't feel like waiting for a dressing room, so I didn't try them on. And this one doesn't fit. I think I've gained some weight.

Sally: Does the other one fit?

Mary: (Brightening) Yes, it fits very well and I bought some shoes to wear with it.

Sally: These are cute shoes, Mary, but I can't think of anything else you have that they will go with.

Mary: (Sadly) I guess you're right, Sally. And I spent $32.50 . John needs a new jacket, and Judy needs new shoes and I really didn't need anything. (She starts crying.)

Sally: Now, Mary, don't cry.

Item Needed
party dress

Price
inexpensive
$15 - $20

Quality
medium

Durability
fair

Number
one

Size
10 Misses

Color
Blue

Style
Latest

Workmanship
acceptable

Convenience
Important

Time
limited

Energy
limited

Space
room in closet

Care Needed
washable

Guarantee
will not shrink more than 2%...
colorfast

DIRECTIONS: Use column that says food groups for the left side of a large poster. Show pictures of a variety of vegetables, meats, etc. in each group division. Use other side of poster to divide into meals for planning 1 day's menus. Use pictures of different foods to get students to help plan menus for 1 day. Right side may be flannel board. Students may check their menus by counting the total servings in each group.

Meat Group: 2 or more servings	Breakfast	Lunch or Supper	Dinner	Snacks
Vegetable-Fruit Group: 4 or more servings				
Bread-Cereal Group: 4 or more servings				
Milk Group: Some milk				
Fats and Oils				
Sugars, sweets				
Other				

Sunday				Monday				Tuesday			
Breakfast	Lunch or Supper	Dinner	Snacks	Breakfast	Lunch or Supper	Dinner	Snacks	Breakfast	Lunch or Supper	Dinner	Snacks
Scrambled eggs*	Cheese sandwiches	Creamed chicken*			Peanut butter sandwiches	Chicken & cheese casserole			Bean soup*	Bean soup* Canned meat patties	
		Carrots								Greens	
Juice*				Juice*				Juice*			
Potato cakes*	Peaches	Mashed potatoes* Green peas Apple pie*			Celery Apple pie*	Green beans Peaches			Celery Apple	Corn	
	2 slices bread	Biscuits*		Bulgur* Toast	2 slices bread	Rice* Bread		Pancakes*	Corn-bread	Bread Peanut butter cookies*	
Milk* for children	Hot cocoa*	Milk* for children In creamed chicken		Milk*	Milk*	Milk* for children	Milk* for children	Milk* for children	Milk*	Milk* for children	Milk* for children
Margarine*		Margarine*		Margarine*				Margarine*			
								Syrup*			
Coffee		Tea		Coffee		Tea		Coffee		Tea	

Wednesday				Thursday				Friday			
Breakfast	Lunch or Supper	Dinner	Snacks	Breakfast	Lunch or Supper	Dinner	Snacks	Breakfast	Lunch or Supper	Dinner	Snacks
	Peanut butter*	Chopped meat*			Bologna sandwiches	Baked beans*			Beans*	Fried fish	
		Greens									
Grape-fruit				Oranges				Oranges			
Raisins*	Potato Salad	Potato Salad Apple		Raisins* Banana	Potato soup Banana	Cabbage-carrot salad			Raisins*	Mashed potatoes* Cole-slaw	
Oatmeal* Toast	2 slices bread	Corn-bread*		Corn grits* Left-over cornbread*	2 slices bread	Biscuits		Pancakes*	Corn-bread Rice pudding w/ raisins*	Bread	
Milk*	Milk* Cheese toast*	Milk* for children		Milk*	Milk*	Milk* for children Chocolate pudding		Milk*	Milk*	Milk* for children	Milk* for children
Margarine*		Margarine*		Margarine*							
								Syrup*			
Coffee		Tea		Coffee		Tea		Coffee		Tea	

Saturday

Breakfast	Lunch or Supper	Dinner	Snacks	Breakfast	Lunch or Supper	Dinner	Snacks	Breakfast	Lunch or Supper	Dinner	Snacks
	Peanut butter sandwiches	Tomato-meat sauce on rice*									
	Raw carrot										
Oranges		Tomatoes* in meat sauce									
		Prunes*									
Oatmeal* Toast*	2 slices bread Coffee-cake*	Rice* Coffee-cake*									
Milk*	Milk*	Milk* for children									
Margarine*											
Coffee		Tea									

FOOD GROUPS	FOODS INCLUDED
Meat Group: 2 or more servings (Meats, poultry, fish, eggs, dry beans, peas, nuts)	Beef, veal, lamb, pork. Variety meats such as liver, heart, tongue. Luncheon meats, bacon, salt pork; also mixtures that are mostly meat. Poultry. Fish and shellfish. Eggs, including those used in cooking. Dry beans of all kinds, dry peas, lentils. Soybeans and soya products. Peanuts, peanut butter, and tree nuts. Soups that are mostly legumes.
Vegetable-Fruit Group: 4 or more servings, including--a dark-green or deep-yellow vegetable for Vitamin A (At least every other day)	Broccoli, chard, collards, kale, spinach, other dark greens, green peppers. Carrots, pumpkin, yellow winter squash, sweet potatoes.
Citrus fruit or tomatoes for Vitamin C (daily)	Grapefruit, lemons, limes, oranges, tangerines. Tomatoes
Other fruits and vegetables including potatoes	Asparagus, beets, brussels sprouts, cabbage, cauliflower, celery, corn, cucumbers, green lima beans, snap beans, lettuce, okra, onions, peas, rutabagas, sauerkraut, summer squash, turnips. Apples, bananas, berries, cherries, dates, figs, grapes, melons, peaches, pears, plums, prunes, raisins, rhubarb. All vegetables and fruits not included in other groups. Potatoes, fresh and processed
Bread-Cereals Group: 4 or more servings (Flour, bread, cereal, baked goods)	Flour and meal. Cereals, including ready-to-eat cereals. Rice, hominy. Noodles, macaroni, spaghetti. Bread, cake, other baked goods. Mixtures that are mostly grains.
Milk Group: Some milk. Cheese and ice cream can replace part of the milk. Children 3 to 4 cups; Teenagers, 4 or more cups; Adults, 2 or more cups	Milk--Whole, skim, buttermilk, dry, evaporated, condensed. Cheese; cream, ice cream. Pregnant women, 4 or more cups Nursing women, 6 or more cups
Fats and Oils	Butter, margarine, mayonnaise, salad dressing, salad and cooking oils, drippings, fat, lard, and other shortening, suet.
Sugars, sweets	Sugar (beet and cane), granulated, powdered, brown; maple sugar. Molasses, syrup, honey, candy. Jams, jellies, preserves. Powdered and prepared desserts.
Other	Coffee, tea, or other foods that do not fit anywhere else.

FOODS USED IN THIS WEEK'S MEALS
(Amounts for family of 4)

Meat Group

*Chopped meat	1 can (1 lb., 14 oz.)
*Chicken	1 can (3 lbs., 2 oz.)
Ground beef	1 lb.
Bologna	1/2 lb.
Fish fillet	1 lb.
*Scrambled egg mix	9 oz.
Eggs, fresh	9
*Dry beans	2 lb.
*Peanut butter	1 lb.
*Dry split peas	1/2 lb.

Vegetable-Fruit Group

*Juice	1 can (4 oz.)
*Tomatoes	1 can (16 oz.)
*Potato flakes	1 lb.
*Raisins	1 lb.
*Dried prunes	1/2 lb.
Apples	3 lbs.
Bananas	1 lb.
Oranges	6
Grapefruit	2
Cabbage	2 lbs.
Carrots	2 lbs.
Celery	2 lbs.
Greens	2 lbs.
Onions	1 lb.
Potatoes	5 lbs.
Peaches	1 can (29 oz.)
Green beans	1 can (16 oz.)
Green peas	1 can (16 oz.)

Bread-Cereals Group

*All-purpose flour	5 lb.
*Rolled oats	1-1/2 lb.
*Cornmeal	2-1/2 lb.
*Rice	1-1/2 lb.
*Bulgur	1/2 lb.
*Corn grits	1/2 lb.
Enriched white bread	6-1 lb. or 4 1-1/2 lb. loaves

Milk Group

*Nonfat dry milk	4 lb.
*Cheese	1-1/2 lb.
*Evaporated milk	2 14-1/2 oz. cans

Other Foods

*Butter	1-1/4 lb.
*Lard	1 lb.
Margarine	1 lb.
Salad dressing	1/2 pt.
*Corn syrup	1 pt.
Sugar, granulated	2-1/4 lb.
Coffee	2/3 lb.
Tea	
Cocoa	
Seasonings	

These menus were planned for a family consisting of father; mother; boy, 11 years old; girl, 8 years old.

*Foods frequently distributed as commodity foods.

Breakfast	Lunch or Supper	Dinner	Snacks	Breakfast	Lunch or Supper	Dinner	Snacks	Breakfast	Lunch or Supper	Dinner	Snacks

UNIT III: BUYING
III-3. Being an Informed Shopper

OBJECTIVES:

To use preliminary buying plans to judge the characteristics of a product in a given situation
To compare the results of planned vs. unplanned spending
To relate being a well-informed consumer with saving time, money, and energy when shopping

VOCABULARY: Durable goods   Informed shopper   Uninformed shopper

Review the steps in decision-making, using the transparency [see p. 54]. What is the next step after making buying plans? How can making buying plans before you shop help you to make better selections in the store?

Using actual packages from different forms and brands of foods familiar to the class members as examples, have students work in groups to determine the best buy for given situations. Do two or three as examples before dividing the class into groups. For example, one group might consider buying tomatoes and compare prices of fresh tomatoes and canned tomatoes. Or one group might compare fresh, frozen, and canned green beans. Criteria for evaluation would include quality in relation to intended use, cost per serving, etc.

Play back tapes or summarize characteristics to look for in the durable goods discussed in the previous lessons. Give students situations in which families are planning to purchase a major durable. Using catalogs, newspaper advertisements, etc., let students suggest purchases for the families by considering the characteristics desirable in that durable good. Also have them look to see what information is not given in the advertisement. How could this information be obtained?

Use skits [see pp. 128-130] to help students see how a well informed shopper saves time, money, and energy as compared to the uninformed shopper. Following the skits, begin discussion with the questions listed below:

What did Mary and John Jones do wrong in the first skit in trying to buy a new refrigerator?
Did they make good use of their time? Why?
Did they make good use of their money? Why?
Did they make good use of their energy? Why?

In the second skit we saw how Joan and Thomas Brown were going about buying a new refrigerator.

What did they do differently from the Joneses?
Do you think they were making good use of their time? Why?
Which family is more likely to get the most for their money? Why?
Were the Browns making good use of their energy?

Which family do you think will be most satisfied with the refrigerator they purchased?

APPLICATION: Review characteristics to look for in any item of clothing discussed in previous lessons or write them on the board as you summarize them. Bring three articles (such as dresses) of different qualities and guide students to understand that different choices might be made if the purposes identified in making preliminary buying plans were different. For example, a basic dress of high quality might be chosen if it was to be worn several years and only a few garments could be afforded. A dress of medium quality in a washable fabric might be chosen for an everyday dress. A dress of lesser quality might be chosen if it was extremely faddish, for a growing child or teen-ager, or for a party dress.

KEY IDEAS: When a person knows his basic purpose for purchasing an item, it is much easier for him to select the item with the characteristics that are desirable for his situation. A well-informed consumer saves time, money, and energy when shopping.

THE UNINFORMED SHOPPER

Skit I

Characters: Mary Jones
John Jones
Salesman

Setting: Department store. Mary and John need a new refrigerator.

Mary: Here are the refrigerators.

John: I didn't think about there being so many brands and styles! How will we ever choose?

Mary: Well, I guess we'll just have to look at them all and then decide which one we like best.

Salesman: Good morning, folks. What can we do for you today?

Mary: We need a new refrigerator.

Salesman: I'm sure that somewhere in our large stock of refrigerators there is one that was made just for you. What did you have in mind?

John: We really hadn't decided exactly.

Salesman: Well, let's see now. How about this one? It's our super deluxe special. Makes its own ice cubes automatically, has a cold water dispenser--perfect for the kiddies. Refrigerator and freezer are side-by-side. There's plenty of storage space on the doors, vegetable crisper, and meat keeper. Of course, it's a little wider than the average refrigerator. Would you have enough space for it?

Mary: I'm afraid we haven't measured the space.

John: How much is it?

Salesman: This model is only $625 and it's a real buy with all its extra features. Why it even defrosts itself!

John: That's a lot of money! Maybe we should look at some less expensive ones.

Salesman: If you could just tell me what you are interested in, it would save a lot of time. As you can see we have a large stock of refrigerators. If you can tell me--How much do you want to spend? What size refrigerator do you need? Do you want one with the freezer on top, bottom, or on the side? What features do you particularly want?

Mary: I'm sorry, we really don't know the answers to your questions. We just knew we needed a new refrigerator, so we came down.

John: I had no idea that there were so many things to know about buying a refrigerator. Come, Mary, I'm afraid we are wasting the salesman's time.

THE INFORMED SHOPPER

Skit II

Characters: Joan Brown
Thomas Brown

Setting: Discussion takes place in the Brown's living room. They need a new refrigerator, too.

Thomas: It looks like we're going to have to start thinking about getting a new refrigerator, Joan.

Joan: Yes, our old one isn't worth repairing again.

Thomas: Let's see how much we can afford to pay. (He gets out the family spending plans and spending records.) We have only three more payments on the car and we have $110 in our savings account. If we didn't buy anything else on credit, we could afford payments of $20 a month now; or if we waited until the car is paid for, we could pay for a refrigerator in 3 months. Or we could save for the refrigerator and pay cash. If we saved $20 a month for the next three months in addition to the $10 we usually save, we would have enough for the refrigerator in 5 months.

Joan: But that wouldn't leave us any savings for emergencies. Maybe it would be better to save for it a little longer.

Thomas: But will the old refrigerator last 6 more months?

Joan: I'm afraid it may not. Maybe we could use $50 of our savings for a down payment, buy the refrigerator this month and then use both the $20 and the $10 we usually save each month for payments.

Thomas: Yes, then after we make the last car payment we can pay the refrigerator off in two months. So we can afford $400 for a refrigerator. Have you thought about what kind you want?

Joan: Yes, I've been looking in the catalog and reading the ads in the newspaper. (Gets catalog.) What do you think of this one? It is about the right price. It doesn't have a lot of expensive gadgets that I wouldn't really need.

It is self defrosting, which should save me a lot of time. I like the freezing compartment on the bottom.

Thomas: Will it fit in the same space as our old one?

Joan: Yes, I measured the space.

Thomas: Good. I'll ask around to see what brands some of my friends at work think are good. You ask, too. Saturday we'll check at several stores for refrigerators that are similar to the one in the catalog. We will also check their credit terms to see where we can get the most for our money, then we'll decide. In two weeks we should have our new refrigerator.

Joan: (Excitedly) Oh, that's great! I can hardly wait and, best of all, we'll know that it's exactly what we want and need.

UNIT III: BUYING
III-4. Where Shall I Shop?

OBJECTIVES:

To describe ways to broaden own shopping horizons
To be able to evaluate merchant to determine whether he is reputable

VOCABULARY: Retail store   Chain store   Independent store
Department store   Speciality store   Variety store
Discount store   Non-store retailers   Vending machines
Cooperatives

You have decided what you need, you have considered possible solutions, you have made a decision about what to buy, and you have made a shopping list which describes the article you want to buy. Now you are ready to shop, so the next step is to decide where to shop.

What kinds of stores and other sources of merchandise can you name? Use visual [see p. 135].

These may all be divided into three main ways to buy merchandise. Use flannel board [see p. 136]. The first way is retail stores. A retail store is a business that sells goods and services to consumers through a store and it may be either a chain store or an independent store. A chain store is a member of a group of stores with the same or similar goods and policies. It is a true chain if all the stores are owned and operated by one company. Think of some examples of chain stores. Some independent stores join together to form a voluntary chain for the purpose of buying their goods and for promotional activities. On the other hand, stores that are owned and operated by the owner, instead of a company, are called independent stores. Can you name some independent stores in your community?

Retail stores may be divided into four kinds according to the type of merchandise they sell. Any of these may be either a chain store or an independent store. First, there is the department store. Can you think of some advantages and disadvantages of shopping at a department store?

> It sells a wide variety of goods and services. It is divided into departments, such as men's clothing, boys' clothing, women's clothing, and shoes. Some even sell hardware, housewares, and food. Thus, you may find it possible to do all your shopping at one time. A department store usually has a wide selection of goods at different price levels. It offers a variety of customer services and has return privileges. In addition, department stores usually stay open late at least one day a week in larger towns and cities. On the other hand, you may find that a department store is too large to find what you want easily. It may be too far from your home and it may be too large to offer personal help when you need it. What are some of the department stores in your town?

The second kind of retail store is the specialty store. This means that it sells only one type of merchandise such as children's wear, shoes, clothing, books, groceries, furniture, etc. Specialty shops usually have a wide selection of their specialty. Sales people are likely to know their merchandise better, to be better trained, and to give you personal attention when you shop. A specialty store, like the department store, may offer goods in several price ranges. However, specialty shops sell only one type of merchandise, which means you will have to visit more stores when you shop. They may also charge higher prices. What are some specialty stores in your town?

A third type of retail store is the variety store. It sells a variety of goods, usually in a lower price range. They are mostly self-service, which means you must find what you need yourself, and most of their goods are displayed on counters. This allows you to see and inspect the merchandise. However, the variety store offers few customer services, and sales people are often hard to find and do not have much information about the merchandise. What variety stores are there in your town?

The last type of retail store is the discount store. These stores attempt to undersell other merchants on some of the well-known lines and types of merchandise. They usually have plenty of parking space and late shopping hours. Discount stores have disadvantages, though. They often fail to display merchandise attractively and offer few customer services. They usually offer only limited return privileges. They hire only a few sales people, which may make it difficult to get help when you need it. Even worse may be their failure to mark prices on merchandise. At what discount stores do you shop?

Some goods are available from sources other than stores. We call these sources non-store retailers. Door-to-door salesmen are non-store retailers. They enable you to shop at home and see or try the products before you buy them. On the other hand, it may be difficult to return items and you may not be able to compare prices. Selections are usually small and the salesman may have goods in only one price range. He may come without making an appointment at a time that is inconvenient for you. What kinds of things have you bought from door-to-door salesmen?

Mail-order selling either by mail or by telephone is another example of a non-store retailer and offers the convenience of shopping at home. You may return merchandise if it is unsatisfactory. Prices are usually reasonable and catalog descriptions usually provide accurate descriptions of merchandise which are helpful in making decisions. Unfortunately, there is little or no opportunity to see and compare merchandise before ordering and delivery adds to the catalog price. You may also have to wait for your order to arrive, which may be inconvenient if it is something which you need immediately. Name some mail-order sources with which you are familiar.

Vending machines are another source of merchandise and services in the non-store retailer category. They are coin-operated machines and provide goods on a self-service basis. They are quick and easy to use, usually have reasonable prices, and may be available 24 hours a day.

However, vending machines offer little opportunity to inspect goods, permit no returns, and provide no customer services. Sometimes vending machines fail to make change, take coins, or provide the merchandise or service desired. Sometimes there is no way to make a complaint if the machine fails to operate properly. What are some goods and services you can get from vending machines? (candy, soft drinks, sandwiches, milk, ice, washing, hair drying, dry cleaning, car washing, etc.)

The last major source of goods and services is called cooperatives. These are associations created and jointly owned by their members. They are usually formed by a group of people for the purpose of jointly buying merchandise at reduced prices. Some sell only to members; some sell to anyone. Cooperatives offer profit sharing for members--often in the form of refunds on purchases. They are frequently lower in price than retail stores. However, they may provide only a limited amount and type of merchandise. Cooperatives seldom offer many customer services and the personnel and management may be inexperienced. Is there a cooperative in your town?

Location is another important factor in deciding where to shop. You may shop in a neighborhood store near your home, in a shopping center, or downtown. Your choice depends on where you live, what you want to buy, and what is most convenient for you.

Neighborhood stores may be conveniently located. They offer personalized service. They may save you time and energy and you may usually "go as you are" without dressing to go downtown. However, selections may be limited and prices may be higher.

Shopping centers may be conveniently located, offer free parking, and provide many types of merchandise and services. Many of the stores may stay open evenings. The shopping center often combines a number of specialty shops under one roof.

Downtown stores usually provide the greatest selection of merchandise and services at various price levels. Because a large number of stores are located in the same area, it may be easier to compare prices in several stores. On the other hand, shopping downtown is often time consuming, inconvenient, and costly, particularly if you live in the outlying areas of a large town or city.

Brainstorm with students to solve problems of reaching shopping areas which could limit one's shopping horizons.

When you spend your money for merchandise, particularly for big purchases, you will want to be sure that you will be satisfied with your purchase. The extent to which you will be satisfied with your purchase can be determined to a large degree by the reputation of the place where you make your purchase. Use visual [see p. 137].

Some questions one might consider in determining the reputation of a firm are:

(1) How long has it been in business? When and where was the firm first established?

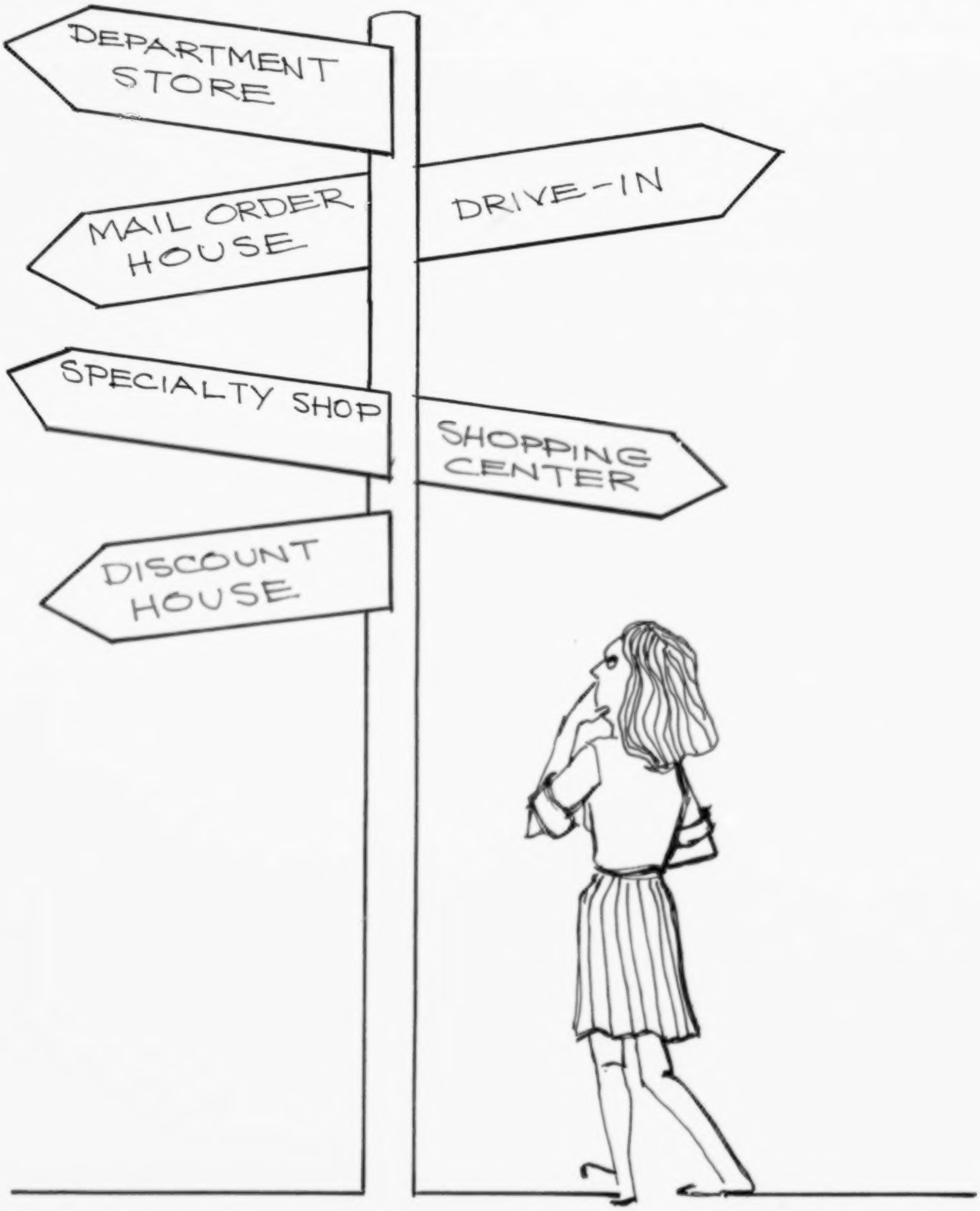
(2) What do friends and neighbors think about the firm?
(3) Does the firm stand behind its merchandise?
(4) Does it have hidden costs which must be absorbed in the price of merchandise?
(5) Does the firm do a large volume of business?
(6) Does the firm offer additional services, such as a delivery and/or pick-up service, etc.?

As a class, discuss the following questions:

What are the advantages of dealing with a reputable merchant?
What are the disadvantages of dealing with irreputable or dishonest merchants?
What can you do if you don't know whether or not a business is reliable?

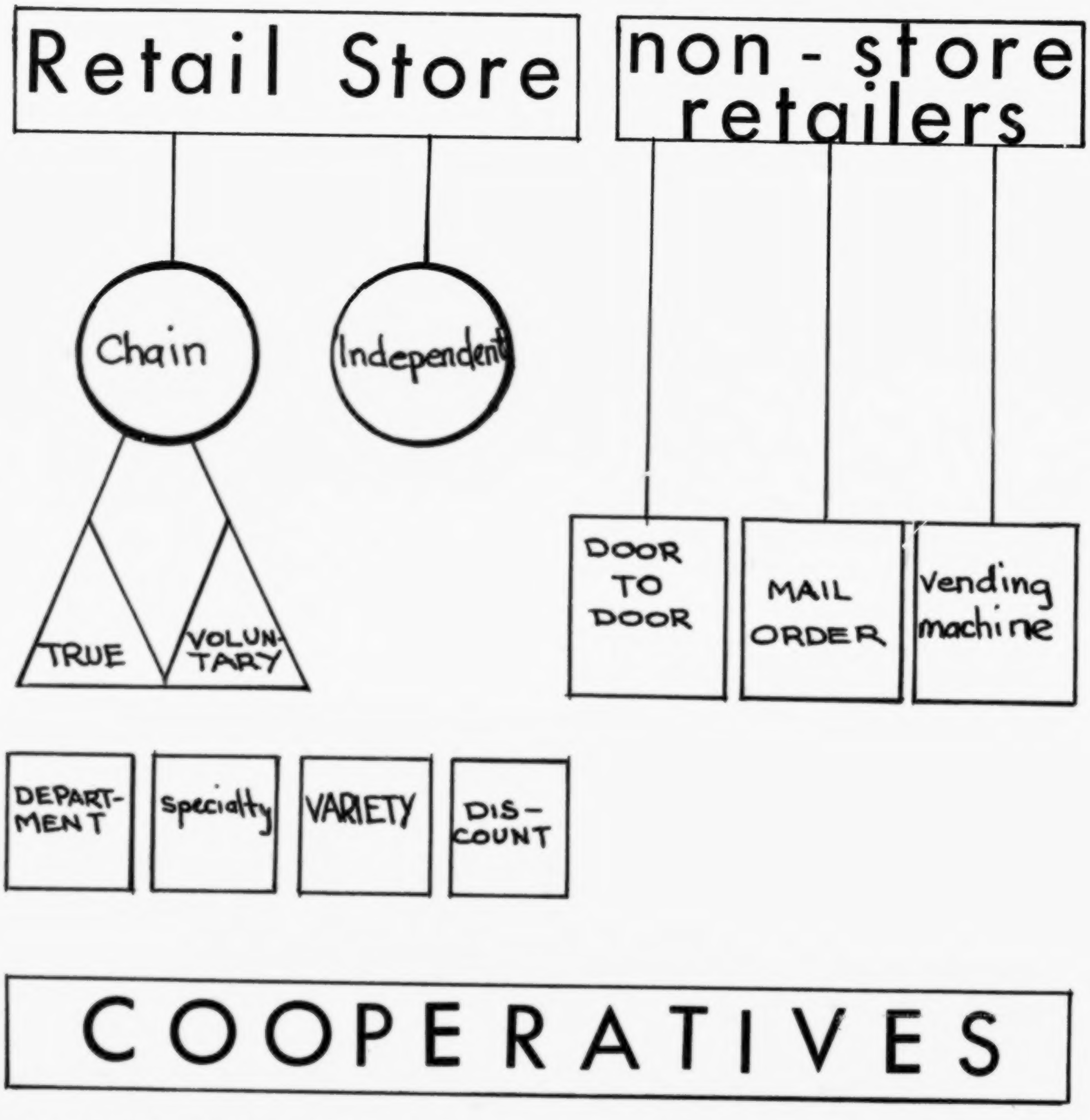
APPLICATION: If possible, visit several types of stores and look for evidence of the points brought out in this lesson.

KEY IDEAS: Broad shopping horizons increase consumer choices. Consumer interests are protected by dealing with reputable merchants.


DEPARTMENT STORE
DRIVE-IN
MAIL ORDER HOUSE
SPECIALTY SHOP
SHOPPING CENTER
DISCOUNT HOUSE

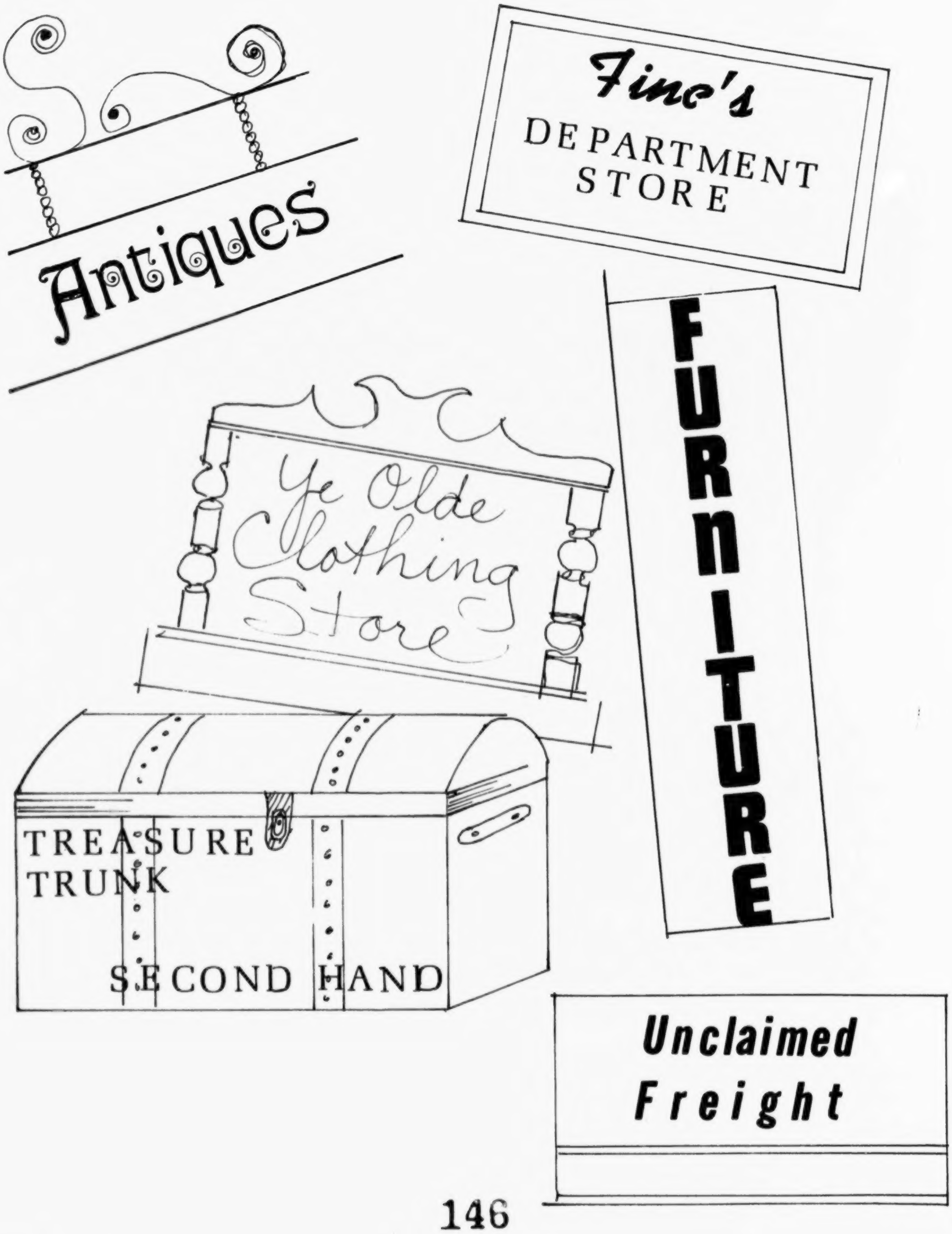
WAY$ TO $HOP

sources of goods and services


Retail Store
non-store retailers
Chain
Independent
TRUE
VOLUNTARY
DOOR TO DOOR
MAIL ORDER
Vending machine
DEPARTMENT
specialty
VARIETY
DISCOUNT
COOPERATIVES

DIRECTIONS FOR USE: Cut shapes out of brightly colored construction paper. Print words in capital letters. (Glue felt on back of each shape.) Add shapes to flannelboard as each source of goods and services is discussed. Use strings to connect as needed.

A Good Shopper Buys From Reputable Merchants


Antiques
Fine's
DEPARTMENT STORE
FURNITURE
Ye Olde Clothing Store
TREASURE TRUNK
SECOND HAND
Unclaimed Freight

UNIT III: BUYING
III-5. Shopping Tricks

OBJECTIVES:

To recognize the value of comparative shopping
To determine quality by inspecting goods before buying
To relate use of product to quality which is necessary in a particular situation

VOCABULARY: Comparative shopping

Begin lesson with a series of "Have you ever?" questions to elicit discussion.

Have you ever bought something only to find it cheaper at another store?
Have you ever bought something only to find one you liked better at another store?
Have you ever bought a product only to find you could have gotten better quality for the same price somewhere else?

Things like this happen to even the best shopper once in a while, but how can one reduce the frequency with which such experiences occur? A wise buyer does not often buy the first article he sees. He "shops around," which means that he goes to more than one store in town. He looks very carefully to see what each store has to offer and at what price.

Before you go to the store, you can compare prices by using catalogs, newspapers, magazines, and advertisements. Before you shop, decide what stores are likely to have the items you need. Check in different types of stores. In general, the more expensive the item, the more you should shop around. Obviously, it is not necessary to visit five or six stores to purchase a toothbrush. But if one were going to purchase an automobile, it would be a good idea to evaluate the reliability and service record, as well as prices, of perhaps six or seven dealers.

In each store, check the price of the article you want. Look at the quality and features of the article in each store. Ask about the guarantee given with the article. Read the tag or label on the article in each store.

Find out if there are extra charges for installation, delivery, credit, and servicing. Ask the clerk about the article.

When you have shopped around in a few stores, you can decide which store offers the best buy for you. When you are satisfied with the price and quality of the article in any one store, buy it. If you do not find what you want, wait until some other time to buy. If you find that what you want is higher priced than you want to pay, you may change your mind. You may decide to do without the item, or to use something else in its place. You may want to wait and look again later or wait for a sale.

Use visual [see p. 140]. Remember--when you shop around:

Look at prices.
Look at quality.
Look at features.
Look at guarantees.
Look at tags and labels.
Find out about installation, delivery, credit, and servicing.
Ask questions.

What would you say are some reasons why comparative shopping is a good idea?

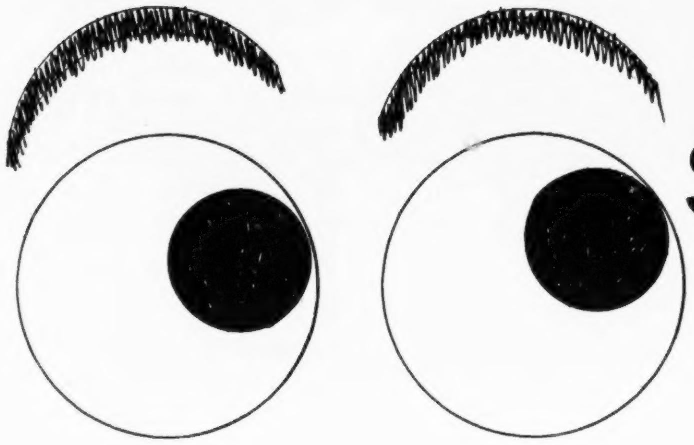
One of the hardest things to do in comparative shopping is to judge the quality of an item by looking at it.

Find out about some things, such as articles of clothing, which are frequently purchased by the students. Bring samples of these articles at different levels of quality and help students to determine what to look for when inspecting them and then let them practice inspecting these articles to determine which is the best quality. Emphasize that the best quality is not always the best buy, particularly for fast growing children.

If used clothing is acceptable to the group, develop guidelines for determining the quality and renovation possibilities. Determine guidelines for purchasing a used garment for use in making children's clothes or other things. It might also be possible to arrange for the class to visit a used clothing store.

APPLICATION: Make a field trip to three stores where the students shop which carry similar kinds of merchandise at different price ranges. Have students work in pairs using the work sheets [see p. 141] to determine which store offers the best buy for a given article. Groups should report to entire class after field trip.

KEY IDEAS: Comparative shopping is helpful in guiding the consumer to make wise buying decisions.
Visual inspection is one means of judging quality of consumer goods.



When You Shop Around

LOOK at

- *Prices*
- *Quality*
- *Features*
- *Guarantees*
- *Tags & Labels*

Find out about

- *Installation*
- *Delivery*
- *Service*
- *Credit*

ask Questions

DIRECTIONS FOR USE: Each word or phrase may be lettered on a separate strip of colored construction paper. Add each to flannelboard as discussed.

FIELD TRIP

Article Compared: ____________________

Store A____________________

What I found: ____________________

Price: ____________________

Quality: ____________________

Store B____________________

What I found: ____________________

Price: ____________________

Quality: ____________________

Store C____________________

What I found: ____________________

Price: ____________________

Quality: ____________________

UNIT III: BUYING
III-6. How Can I Choose?

OBJECTIVES:

To state that price is not a dependable guide to quality
To recognize the limitations impulse buying puts on a family's alternatives in distributing income
To apply criteria for determining when a "bargain" is a bargain
To relate selection of goods according to the quality needed for their intended use with the saving of money
To explain the purposes of standards, grades, warranties, and guarantees
To identify ways these may aid in making selections

VOCABULARY: Comparative shopping   Impulse buying   Bargains

How careful a homemaker is in making choices at the store helps to determine how much she gets for her money. To get the most for her money, the homemaker needs to shop comparatively, avoid impulse buying, know when a bargain is really a bargain, know what grade or quality is best for her purpose, and understand how standards, grades, warranties, and guarantees can aid her in determining what to buy.

Refer to field trip information sheets collected from last meeting. Ask students to report their findings and discuss any case in which the highest priced item was not judged to have the best quality or give your own examples. Discuss ways comparative shopping can help the homemaker get the most for her money.

Use illustrations taken from advertisements, catalogs, or Consumer Guide to show durable goods, such as refrigerators, stoves, or washing machines, in which higher price is related to the number of extra gadgets rather than just to quality. Emphasize that a less expensive model may be of high quality and serve the same purpose for less money, especially if the extra gadgets are seldom used. Students may be able to give other examples.

Let students role play situations [see p. 144] in which the shopper buys impulsively. Discuss the effect such purchases might have on getting other things the family needs or wants.

Ask students to define "bargain." Ask "Is a 'bargain' always a bargain?" Give students an opportunity to tell about "bargains" they have found which were not really bargains. Discuss the story [see p. 145] to decide whether the bargains Jane found were really good buys.

Show or describe different grades of several foods. Consider with students which would be satisfactory choices for different purposes. For example, lower quality eggs would be fine for baking or scrambling, but higher quality would be needed for frying.

Do the same thing with articles of clothing. Show how each could be the best choice depending on the purpose or use for which they were intended. Let students suggest other examples.

Determine how standards, grades, warranties, and guarantees can help buyers in determining what to buy. Define each of these terms. [See lesson X-2, pp. 312-313 in section on consumer protection.] Show examples of each.

APPLICATION: Determine ways that one can save money by purchasing the quality which fits the intended use.

KEY IDEAS:
Price is not a dependable guide to quality.
Frequency of impulse buying limits a family's alternatives in distributing its income.
A "bargain" is a bargain only when it has real value to the consumer.
Money is saved when the quality of goods purchased is discriminatingly selected in relation to intended use.
Awareness of standards, grades, warranties, and guarantees aids in making selections.

ROLE PLAY SITUATIONS

Tom Johnson has purchased a set of mag wheels for his car. He hadn't intended to buy them, but the man he rides to work with stopped at an auto parts shop on the way from work and--Tom comes home with the mag wheels. He tells his wife what he has done and she is very angry. Their son, Tommy, has a hole in his shoes and must have new ones. His wife, Ellen, has a cavity and must see the dentist.

Mary Martin is shopping with her friend, Wilma Williams. Mary only planned to buy some new pajamas for her son, Mark, until--she saw the dress in the department store window. It was love at first sight! Now Mary must have that dress, but she debates how she can afford it. Can she skip buying the pajamas for Mark and cut down on groceries?

Julia Jones was shopping for groceries. There were many attractive displays and stacks of things in the aisles and Julia stopped to look at them all. She bought chips and dip after an attractive lady gave her a "taste." She picked up a package of candy and some cokes on "special." Then there were frozen TV dinners with a sign that said "Give yourself a rest tonight--you deserve it--Buy Frozen TV Dinners." Julia hadn't planned to buy any of these things. At the checkstand she picked up a couple of magazines and a package of cigarettes. She couldn't believe she had spent $10 more than she had intended!

BARGAIN BUYS

Jane is shopping the January sales. She is planning to look for a casual jacket for herself and for shirts for her husband. The jacket she is now wearing will be worn out by the end of the season and her husband has been short on shirts all fall. Her daughter is about to outgrow all of her clothes, but she should be able to wear them until spring.

Jane finds a jacket in a traditional style for herself. It is on sale for a 25% discount. The jacket is made well, is of good quality materials, and is washable. The color is not Jane's best neutral but will blend with most of her casual wardrobe. Jane decides to purchase the jacket.

She also decides on three shirts for her husband. They are marked down 40%, are of good quality materials, and are permanent press. They are white and have button down collars. Jane knows that button down collars are beginning to go out of style but thinks the shirts are too good to pass up.

Jane stops by the children's department and finds a two-for-the-price-of-one rack with a red velveteen jumper that just fits her daughter. She hunts through the rack and finds a winter school dress that will also fit. Two dresses for the price of one is a real bargain, and Jane is glad she happened to stop by the children's department.

III-7. How Can Advertising Help Me?

OBJECTIVES:

To cite the role of advertising in promoting sales
To list appeals which advertisements make
To describe factors that influence buying
To evaluate an advertisement in terms of criteria set up by student as applicable to the situation

VOCABULARY: Emotional appeals   Ego appeals   Logical appeals

Seventy-five dollars is spent each year on each person in the United States bringing products to their attention through advertising. Why do you think businesses and manufacturers advertise? (To encourage people to buy their products)

One way advertisers persuade people to buy is by making them think they need a product which is new and different. Some advertisements encourage people to buy more of a product by showing them new ways to use it. Sometimes an advertisement encourages people to buy a particular brand. What brand comes to your mind when you think of facial tissues, blue jeans, soft drinks? In addition to persuading people to buy, advertising also informs people about what they can expect of a product.

Use a flannel board to show examples of the three major types of advertising appeals.

(1) Emotional Appeals To get you to buy a product, an advertisement must convince you that you need it. To do this, the advertisement may appeal to your need to be liked by others, your desire to be attractive to others, your need to feel safe and secure, or to your concern for your loved ones. These are called emotional appeals, because they affect the way you feel. Some of these advertisements show before and after pictures, or give you the idea that everybody is doing it. Look for examples of advertisements which appeal to your emotions.

(2) Ego Appeals Another major type of advertising appeals to the way one feels about himself. These advertisements may imply that using this product will make you appear more grown up, more important, more feminine or more manly, or younger. Other advertisements appeal to your desire to be a little different from everybody else. Find advertisements which appeal to the way you would like others to see you.

How do advertisements manage to convince you that theirs is the product that you should buy? Some advertisements are made by famous movie stars or sports figures who say they use the product. If you feel you would like to be like the person in the advertisement, you may want to buy this product. Will using the product really make you more like the famous person? Why? Name some advertisements in which you have seen a famous person. Other advertisements give the impression that you will improve yourself by using a product--that you will be prettier, or more physically fit, for example. The advertisement implies that there is a connection between being pretty or physically fit and using this product. Find some advertisements which imply that using a certain product will improve you in some way.

(3) Logical Appeals A third major advertising appeal is based on reasoning. This type advertisement gives logical reasons why you should choose this particular product. The advertisement may tell you about the special ingredients in the product, give reasons it is a good product, tell how the product performs compared to other products, or list the special qualities of the product. Find advertisements which give logical reasons for buying the product.

Use a flannel board to show the positive and negative aspects of advertising. Some advertisements do good things for you as a consumer. An advertisement may help to educate you to know what to expect from a product and, chances are, you'll be happier with your purchase. It may contribute to better health by helping you spend money wisely for useful and safe products. An advertisement may help you to improve the way you live by giving the information you need to help you purchase exactly what you need and want.

Another value of advertising is that it tells people about new products which they may buy. It may also help you know where to shop.

Some advertising, however, is not helpful to you as a consumer. This type of advertising may give false, misleading, or deceptive information which could cause you to make unwise choices. Advertising can cause confusion and bewilderment. Advertising can encourage buying for the wrong reasons, like "everybody else is buying it." Some advertisements give misleading information about prices and may make you think you're getting bargains when you are not. Advertisements may also attempt to make you unhappy with what you already have. An example would be criticizing last year's model, style, or design. Sometimes advertising encourages us to buy things we don't need with money we don't have through use of credit.

How can you tell whether an advertisement is truthful and tells you what you need to know? Use a flannel board or blackboard to list points in evaluating an advertisement.

(1) An advertisement should do what is intended, whether it is to inform, to favorably impress, or to introduce a new product.
(2) The advertisement should give accurate information about such things as content and use of a product.
(3) An advertisement should give adequate information so one can choose wisely.
(4) The advertisement should be in good taste, should be acceptable to the public, and should not infringe on moral or ethical beliefs.
(5) Advertisements should be fairly realistic and true to life.
(6) Advertisements should show creativity and should inspire one's imagination.

(7) The advertisement should not annoy or irritate the public by being so silly or ridiculous that people are insulted by it.
(8) The advertisement should be appropriate for the audience--the type people who are likely to buy the product.

Practice evaluating with the class several advertisements, emphasizing points 2 and 3.

How can we show our approval or disapproval of a business' advertising? Have you ever stopped to think that each time you buy a product, you are casting a vote for the product and its advertising?

(1) If you disapprove of the advertising for a product, you can refuse to buy the product.
(2) To encourage advertisers to advertise honestly, you can compare prices and performance of products and buy only products which are truthfully advertised.
(3) Do not buy from a store that uses poor advertising practices.
(4) Notify store managers, manufacturers, or other appropriate groups when you experience satisfaction or dissatisfaction. Otherwise, a business might not know what customers liked or did not like.
(5) Buy products whose advertising is informative.
(6) Educate yourself to be a comparative shopper. Compare products, prices, performances, and information from advertising.
(7) Be aware of the appeal made by advertisements for a product.

APPLICATION: Divide the students into groups of two or three. Give each group a number of advertisements. Read the following characteristics of advertisements one at a time and ask the students to select an ad from their advertisements which has this characteristic. Then ask groups to share their selections with the class. Discuss how each advertisement creates the impression indicated by the following characteristics:

Emphasizes that the product is new and different
Shows new ways to use a product
Encourages you to buy a certain brand
Gives information about the product
Appeals to your need to be liked by others
Appeals to your need to be safe and secure
Appeals to your concern for your loved ones
Gives the impression that "everybody" is buying this product
Implies that the product will improve you in some way if you use it
Appeals to your desire to be different
Uses logical reasons to encourage you to buy
Makes you unhappy with what you have
Appeals to a certain group, such as children, businessmen, housewives, or teen-agers

Appeals to your desire for good health
Appeals to your desire to be pretty or handsome, or to stay young

KEY IDEA: Knowledge of the role of advertising in promoting sales can aid the consumer in evaluating advertising more objectively.

UNIT IV: BANKING
IV-1. Our Checking Account

OBJECTIVES:

To explain ways in which banking services can aid in protecting money or other valuables
To describe procedures for opening and using a checking account
To fill out forms for opening a checking account, making deposits, and writing checks
To identify conveniences of a checking account for the consumer

VOCABULARY: Checking accounts Joint checking accounts Deposit
Overdrawal Forgery Endorse Checkbook register
Reconciling the bank statement Service charge

What do you think of when someone says the word bank? What are some things banks do? Banks have a number of services which we may use. They have checking accounts, savings accounts, and safe deposit boxes. They make loans. These are the big things that banks do, but they have other services, too. Let's describe the many things banks can do for us.

We may say that a bank does three important things for people:

(1) Banks keep money safe for people.
(2) Banks make it easy for people to make payments.
(3) Banks put people's money to work by lending it to other people and by investing it.

Discuss how banks do each of these things.

Checking Accounts

Today checks are used more often than cash for making payments. In fact, 9 out of 10 of all payments in the United States are made by check. What are some payments people make by check? All a person has to do to make payments by check is to put money into his checking account at a bank and write a check.

Why do you think people use checking accounts?

(1) Don't have to carry cash or keep large amounts of cash at home
(2) Convenience
(3) Checks serve as evidence of payment
(4) Helps establish credit rating

Opening a Checking Account

If you do not already have a checking account, you may be interested in learning how to open one. You may open a checking account by depositing some money in the bank. You will be asked to sign a signature card, so the bank will be sure that it was you who signed a check which comes to the bank with your name on it. If both husband and wife want to take money out of the account, both must sign a signature card. This is called a joint account. Joint accounts should read "Mr. or Mrs." (not "Mr. and Mrs.")

Making a Deposit

To make a deposit in your account you must fill out a deposit slip. Use transparency [see p. 154]. On the deposit slip you will write: (1) your name and address, (2) account number, if required, (3) the date, (4) the amount in currency (bills), and coins, and (5) the amount of each check you want to deposit. (7) Write the total amount of the deposit. (8) Subtract any cash you want returned. (9) Write the amount to be deposited.

The deposit and deposit slip may be taken in person or mailed to the bank. If you mail your deposit to the bank, write "for deposit only" beneath your signature on the back of the check, so that the check cannot be spent should it be lost or stolen.

If you receive a check on which your name is misspelled, endorse the check, spelling your name as it was spelled on the front. Then endorse the check again, spelling your name correctly.

When making deposit slips, remember that you should never endorse a check (sign the check on the back) until you are ready to deposit it.

APPLICATION: Let students practice filling out a deposit slip.

Writing a Check

To get your money from the bank to pay bills, you must write a check. Always be sure you have at least as much money in the bank as you write a check for. If you write a check for more money than you have in the bank, this is called an overdrawal. Most banks charge a fee for an overdrawn check.

Never sign another person's name to a check. This is called forgery. Forgery is a crime; a person who commits forgery can be put in jail.

Many people do not write checks correctly. Why is it important to be careful how you write your checks? (A dishonest person could change the numbers or the person or place to whom the check is written.)

It is very important to know how to write a check correctly. Let's review the steps in writing a check. Use transparency [see p. 155].

(1) If your checks are not numbered, number them one after the other in 1, 2, 3 order.
(2) Using ink, date the check the day you write it. Don't date checks ahead. Never write a check in pencil.
(3) Write clearly the name of the person or business to whom payment is to be made.

(4) Write the amount of the check in figures close to the dollar sign--$25.00.
(5) Write the amount of the check in words. Begin very close to the beginning of the line on the left. Check to be sure you have written the same amount in figures and in words.
If any space remains after the amount is written in words, draw a wavy line to the word dollars at the end of the line.
(6) Sign your name exactly as you signed it on the bank's signature card when you opened your account. Never sign a blank or partially filled out check. Never make corrections on a check. If you make a mistake, start a new check.
(7) If space is provided in the lower left-hand corner of the check, write what the check is for.

APPLICATION: Let students practice filling out a check. BE SURE TO HAVE THEM TEAR UP ALL PRACTICE CHECKS.

Keeping Your Checkbook Record

It is also important to know how to keep your checkbook record: [Use transparency, see p. 155]

(1) Before writing out a check, write it down in your checkbook register (or on the check stub).
(2) Write down the check number, the date, the name of the person or business to whom the check was given and the amount of the check.
(3) Subtract the amount of the check from your balance.
(4) When you make a deposit, write the date and the amount of the deposit in your checkbook register and add the amount of the deposit to your balance.
(5) To avoid making mistakes, subtract each check as soon as it is written and add your deposits as soon as they are made.

APPLICATION: Guide students as they practice filling in a check register.

Reconciling Your Bank Statement

Each month you will be sent a bank statement. The bank statement will contain the cancelled checks you have written in the past month. The statement shows your bank balance at the beginning of the month. A list is given of all the deposits and withdrawals made to your account for the month. It may include a service charge, a charge based on the number of checks you gave and on your average daily bank balance. The bank statement will also give the amount of money in your account at the end of the month. (This may not be the balance in your checkbook.)

To keep your records up-to-date you need to check your records with the bank statement. This is called reconciling or balancing your bank statement.

(1) Sort cancelled checks into order by number. Compare each cancelled check and each record of deposit with your checkbook and check off.

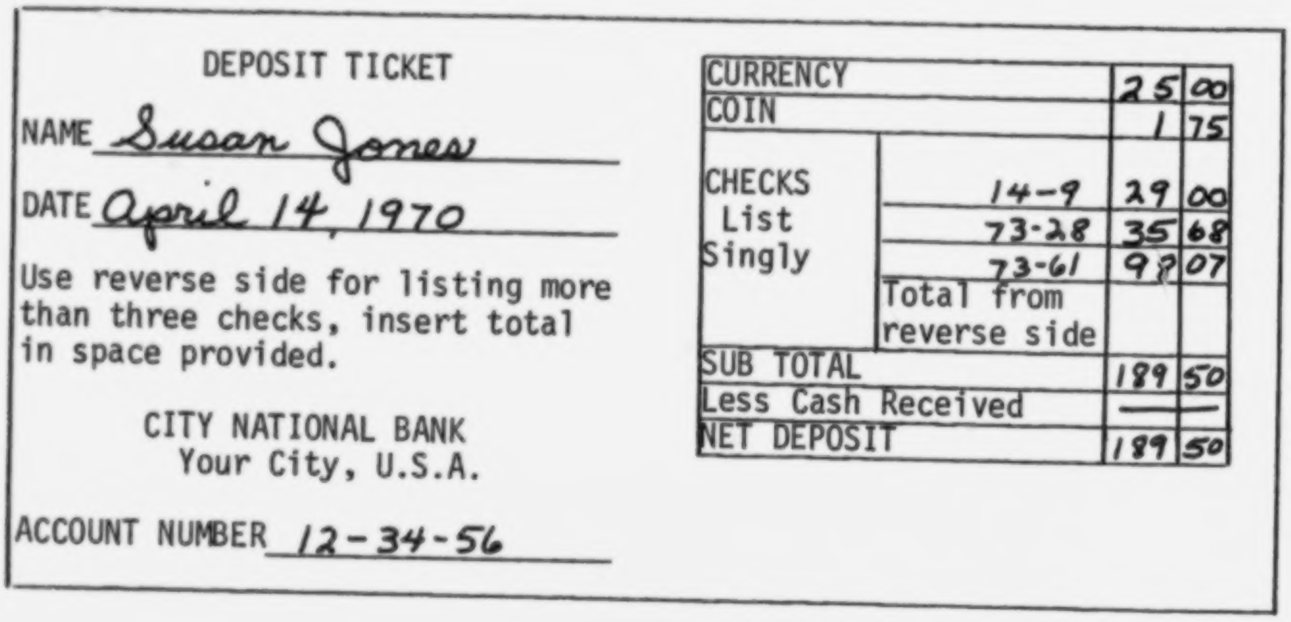
(2) Subtract any service charge or charge for overdrawals from your checkbook balance.

Many banks provide a form on the back of the bank statement to help you find out if your checkbook balance is correct. These forms usually follow the following steps: [Use transparency, see p. 156]

(1) Write down the new bank balance shown at the bottom of your bank statement.
(2) Add any deposits made since the bank statement was made and checks that did not come back as cancelled checks.
(3) Subtract any checks you have written since the bank statement was made.
(4) Check to see that the figure you get agrees with the balance you show in your checkbook.

APPLICATION: Assist students in reconciling a bank statement by using an example provided by the teacher [see p. 157].

KEY IDEAS: Banks offer numerous services which can aid the consumer in protecting his money and other valuables.
Checking accounts offer many conveniences to the consumer.



DEPOSIT TICKET

NAME Susan Jones

DATE April 14, 1970

Use reverse side for listing more than three checks, insert total in space provided.

CITY NATIONAL BANK
Your City, U.S.A.

ACCOUNT NUMBER 12-34-56

CURRENCY		25	00
COIN		1	75
CHECKS List Singly	14-9	29	00
	73-28	35	68
	73-61	98	07
	Total from reverse side		
SUB TOTAL		189	50
Less Cash Received		—	—
NET DEPOSIT		189	50

CHECK NO.	DATE	CHECK ISSUED TO	AMOUNT OF CHECK		✓	DATE OF DEPOSIT	AMOUNT OF DEP.		BALANCE	
									279	19
101	4/3	Reliable Insurance Co.	65	00	✓				214	19
102	4/7	Alex's Clothing Store	7	25	✓				206	94
103	4/10	Utility Company	12	80					194	14
		Deposit				4/14	189	50	383	64
104	4/15	Nearby Food Store	15	85					367	7

SUSAN K. JONES
114 Garden Ave.
Your City, Texas 72410
Phone 792-1040

No. 104

April 15, 1971

55-167/910

Pay to the Order of Nearby Food Store $15.85

FIFTEEN AND 85/100 DOLLARS

CITY NATIONAL BANK
Your City

Susan Jones

1:910···167···55': 12···34···56"'

THIS FORM IS PROVIDED TO HELP YOU BALANCE YOUR ACCOUNT

Checks Outstanding--Not Charged to Account

No.	$	
TOTAL	$	

Month________________, 19____

1. Bank Balance Shown on this Statement $____

2. ADD + Deposits Not Credited in this Statement (if any) $____

____

____

TOTAL (1 and 2) $____

SUBTRACT Checks Outstanding $____

BALANCE $____

Should agree with your check book balance after deducting service charge (if any) shown on this statement for previous month.

Statement of Account With

Period Ending	Account No.
4-10-71	12-34-56

CITY NATIONAL BANK
Your City, U.S.A.

Susan K. Jones
114 Garden Ave.
Your City, Texas 72410

Checks Listed in Order of Payment--Read Across						
				Deposits	Date	New Balance
						248.46
				85.00	3-10	333.46
13.12					3-10	320.34
10.24					3-13	310.10
4.64					3-15	305.46
8.25					3-18	297.21
12.00					3-19	285.21
2.75					3-21	282.48
5.98					3-23	276.48
				70.00	3-24	346.48
1.05	S				3-24	345.43
14.60					3-24	330.83
9.82					3-24	321.01
17.65					3-26	303.36
3.00					3-28	300.36
7.22		5.00			3-28	288.14
10.00					3-30	278.14
65.00					4-3	213.14
77.25					4-7	205.89

EXPLANATION OF SYMBOLS

R	Reversing Entry
M	Miscellaneous Entry
S	Service Charge
O.D.	Overdraft
L	Listed Checks

Please examine at once. Report any alterations, forgeries, or other irregularities directly to the customer auditor. If nothing is reported within thirty days, this statement will be considered correct.

UNIT IV: BANKING
IV-2. Savings Accounts and Other Bank Services

OBJECTIVES:

- To recognize the reasons for saving money
- To describe the procedure for opening a savings account
- To identify the different types of loans
- To list papers and valuables which should be kept in a safe deposit box
- To determine why a safe deposit box is a good place to keep important papers and valuables

VOCABULARY: Savings account   Interest   Compound interest   Loan
Installment loan   Single payment loan   Add-on loan
Discount loan   Personal loan   Auto loan   Mortgage

Why Save?

Why do people save money? Some families set a goal of saving enough money to make borrowing unnecessary when an emergency requires more cash than can be spared from regular income. Give some examples. Some families save money for big things they can't pay for out of their weekly or monthly paycheck. Give some examples. Some people save so they will have more money to pay their living expenses when they retire.

Where can a family keep the money they save? Use visual [see p. 162]. Some families keep money in a piggy bank, cookie jar, or an old sock. This is satisfactory for small amounts of money. When families have a large amount of money saved, it is safer to keep it in a bank.

Savings Pay Interest

Savings can be deposited in a savings account at a bank for safe keeping. Savings may be kept in a bank, savings and loan association, or credit union.

The bank uses your money to loan to people who want to borrow money. The bank pays you interest for using your money. For example, if you have $100 in a savings account which pays 4% interest, at the end of the year you would have $104. See how your savings would grow if you saved only $10 per month. Use visual [see p. 163].

The amount of interest paid is not the same at every bank. Some banks pay more interest than others. Some banks add the interest to your account at regular intervals. Then the bank pays interest on the interest added to your account. The more often the interest is added to your account, the faster your savings will grow. This is called compound interest. It pays to shop for a savings account that pays high interest which is compounded frequently, just as it pays to shop for money when you make a loan.

A savings account is opened the same way a checking account is opened. Take your first deposit, large or small, to the bank and ask to open a savings account. You will be given a savings pass book in which your deposit will be recorded. All money added to or subtracted from your savings account is written in this book. You must present the savings pass book each time you wish to add money to your savings account. This book serves as a complete record of your savings account. It tells you how much money you have saved.

How Much Should You Save?

You should not try to save so much money that you do not have enough money left for the things you need, such as food, clothing, rent, recreation, education, transportation, and health.

Do save some money regularly out of each paycheck. Decide how much money you can comfortably afford to save out of each paycheck. Then pay yourself first. Many people try to save 10 per cent of each paycheck. Put this money in your savings account before you spend anything else. Why is it a good idea to save before you spend your paycheck?

Most people add extra dollars to their savings accounts by cutting down on expenses. This can be done by buying only what you need, taking advantage of sales and specials, using skills and time to meet needs instead of using money, or by buying used items when possible. At the end of the month, money saved in these ways can be added to savings.

Use case study [see p. 81] and let class decide how much the family can save each month.

Loans

Banks also loan money to people. What are some reasons a family might need to borrow money? (To purchase a home, an automobile, furniture, or household appliances, to pay doctor bills, hospital expenses, and other medical expenses)

Banks charge a lower interest rate than most other places that lend money. To borrow money from a bank, you must have a good reason and be a good risk.

Bank loans may be either installment loans or single payment loans. Installment loans are repaid with monthly payments of a set amount. A single payment loan is repaid all at once at the end of the period for which the loan was made. In addition, a loan may be either an add-on loan or discount loan. If the loan is the add-on kind, interest is added on to the amount you borrow. If you borrow $100 on an add-on loan, you would receive $100. When you repay the loan you would repay the $100 plus interest. For example, at an annual add-on rate of six per cent interest a year you would pay back $106. If the loan is the discount kind, the lender subtracts a fixed percentage of interest from the amount you borrow at the time the loan is taken out. For example, if you borrow $100 at six per cent interest on a discount loan, you would receive only $94, but you would repay $100.

Personal Loans

Many families make personal loans at a bank. These loans of from $50 to $3000 or more are made just on the promise of the borrower (given by his signature) that he will repay the loan. Usually the rate charged on such a loan is lower than the family would have to pay somewhere else. The loan can be repaid on a monthly basis over a period of a year or longer.

Auto Loans

Auto loans are another type of loan frequently made by families. In these loans, the car itself serves as collateral for the loan, and the borrower repays the loan by making monthly payments. If he fails to keep his promise to repay the loan, the car may be taken by the bank.

Mortgages

Banks loan money to families who want to become home-owners by making mortgage loans to finance the purchase of a house. They also make loans for modernization and repair of homes--to remodel a room or add a new room.

Safe Deposit Boxes

Banks provide safe deposit boxes for their customers to rent for keeping their valuable papers and other things safe. A safe deposit box is safe from fire and theft. The boxes rent for a small monthly or yearly fee and are available in several sizes. No one can open the box without proper identification.

What to Keep in a Safe Deposit Box

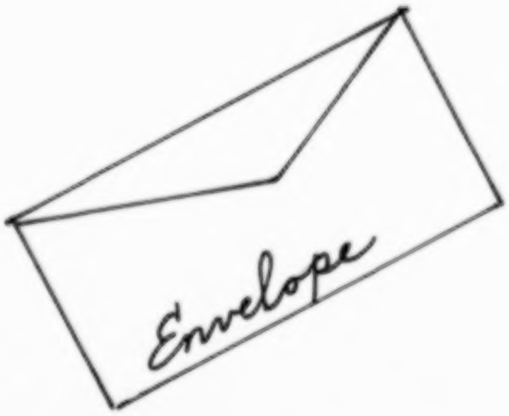
Abstracts and deeds
Armed service records
Birth certificates
Contracts
Diplomas
Heirlooms and valuables
Income tax records
Leases
Mortgages
Social Security records
Adoption papers
Bills of sale
Citizenship papers
Certificates of deposit
Deposit books
Household inventory
Insurance policies
Marriage certificates
Stocks and bonds

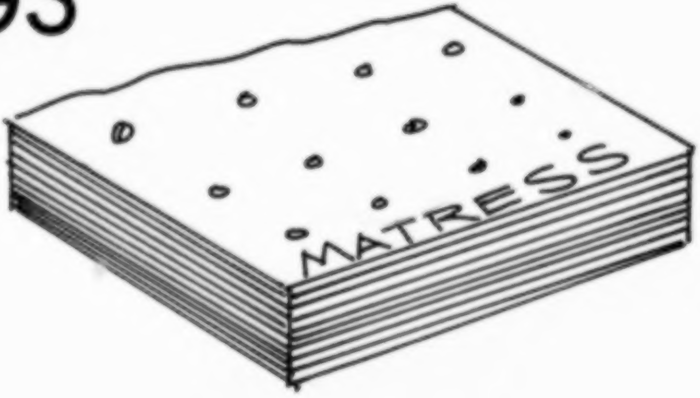
Do not keep wills in a safe deposit box. Many states "freeze" the box if the renter dies. It may take weeks or months to get permission to open the box. It is not a good idea to keep cash in the box either. Why?

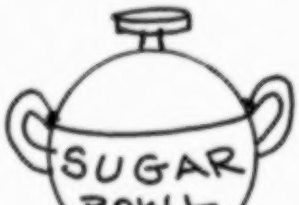
APPLICATION: Assume you can save $5 each week ($20 a month). If the interest is 5 per cent, how much money would you have at the end of the year? What other benefits (besides the interest) do you get from saving?

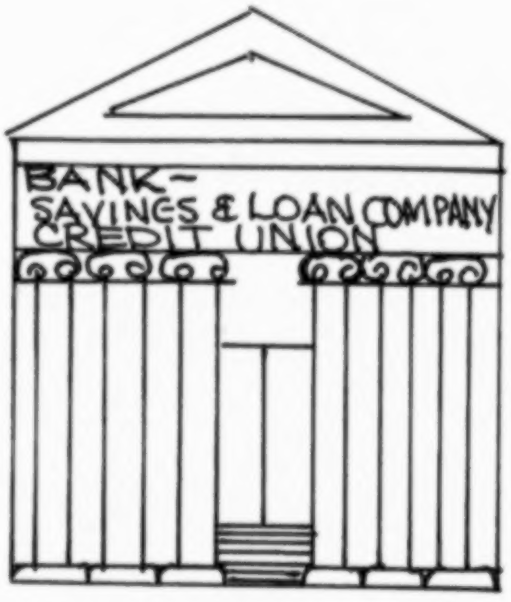
KEY IDEAS: A savings account provides a safe place to keep family savings.
A bank loan can aid the family in meeting emergencies as well as in making large purchases.
Safe deposit boxes provide protection for family valuables and papers.

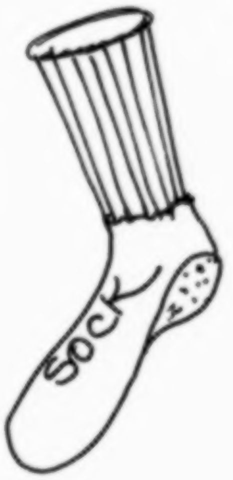
WHERE PEOPLE KEEP SAVINGS

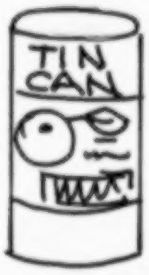


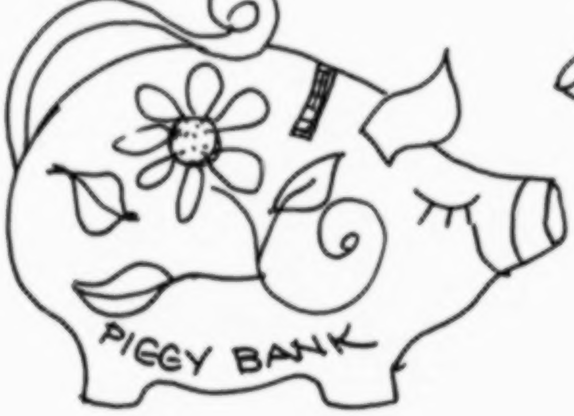


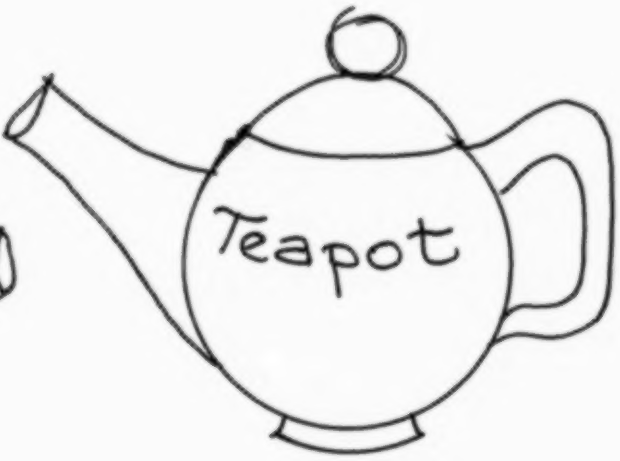



BANK-
SAVINGS & LOAN COMPANY
CREDIT UNION









SAVINGS GROW

(Savings of $10 per month at 4 per cent interest compounded semiannually)

Year	Amount Deposited	Interest Earned	Year-End Value of Account
1	$ 120	$ 2.61	$ 122.61
2	240	10.18	250.18
3	360	22.90	382.90
4	480	40.98	520.98
5	600	64.95	664.65
10	1,200	274.85	1,474.85
15	1,800	662.48	2,462.48

UNIT IV: BANKING
IV-3. A Visit to a Bank

OBJECTIVES:

To describe available bank facilities
To gain confidence in banking procedures
To recognize services available from a bank

VOCABULARY: Bank drafts Certified checks Cashier's checks Traveler's checks Government bonds

APPLICATION: Take the class on a field trip to a bank or have a banker come to talk to the class. The class will be interested to see some of the things in the bank mentioned in the last two lessons. Discussion of checking accounts, savings accounts, loans, and safe deposit boxes will be good review. The banker should also be able to explain other bank services such as *bank drafts*, *certified checks*, *cashier's checks*, *traveler's checks* and *government bonds*. Perhaps he will also have some printed materials on banking and bank services to give to the students.

KEY IDEA: A bank offers many services to its customers.

UNIT V: BORROWING
V-1. What Is Credit?

OBJECTIVES:

To define consumer credit
To cite purposes for using credit
To identify questions to ask when considering use of credit
To recognize purpose of measuring family's credit capacity
To follow procedures for measuring credit capacity of a sample family
To measure personal or family credit capacity

VOCABULARY: Credit Loan Credit capacity Lender Creditor Borrower Impulse buying Service credit

Use fortune wheel [see pp. 168-169] with a number of statements which help to define credit. Let class members turn the wheel to a statement, read it, and then give examples and explain what the statement means. Encourage class members to contribute to the discussion: What is credit?

(1) Credit is trust that you will pay the money you owe and will make payments at a certain time.
When you use credit you are called the borrower. What do you think would happen if no one could be trusted to repay the money they owed? If people didn't keep their promise to pay at a certain time?

(2) Credit is buying now and paying later.
What would happen if there were no credit and a family had an emergency? What other problems might families face if there were no credit?

(3) Credit is "rent" you pay for using someone else's money.
Why is credit like "rent"? Why must we pay for using someone else's money? The person from whom you borrow money or buy on credit is called a lender or creditor.

(4) Credit is a charge account.
This is just one type of credit. There are others which we will talk about later.

(5) Credit is a loan.
What is a loan? It is borrowing cash and promising to pay it back. Some people don't think of a loan as credit, but it is. Why is a loan credit?

(6) Credit is a doctor bill.
Doctor bills and other bills which are paid after the service is received or used are called service credit. This is credit because you receive the service now and pay for it later. What are some other examples of service credit?

(7) Credit is using future income to pay for present needs and wants. What are some things a family might decide to use their credit to buy now and pay for later?

(8) Credit is a service for which we must pay.
No one has to give credit. Why do stores give credit? Why do they charge for this service?

Turn the fortune wheel around. Why do people use credit?

(1) To meet present needs by using future income
What might be some needs that a family could not pay for with their present income?

(2) To meet emergencies
Can you think of some emergencies which might occur in your family? How could your family use its credit to meet these emergencies?

(3) For necessities
Can you think of things which are necessities for a family? Why might a family need to use their credit to buy these things?

(4) For major purchases
What are some big things that a family probably could not pay for with one paycheck?

(5) For things that last long after the last payment
Give some examples of things which would last after they were paid for on credit. Why is it not a good idea to buy things on credit which do not last until they are paid for? Give some examples of things which might not last until they are paid for. (food, clothing, poor quality purchases, etc.)

(6) For luxuries
Is it really a good idea to buy things on credit your family doesn't need? Give some examples of these.

(7) To save money
Some people never seem to save any money for things they need or want. Using their credit is the only way they could ever get these things. For families like this, credit is like saving backward.

(8) For impulse buying
What is impulse buying? What sort of things does one buy on impulse? Why is it not a good idea to use credit for things which were not planned for? What would happen if several family members made unplanned purchases on the same day? How would other family members feel about doing without things they need because one person bought something on impulse?

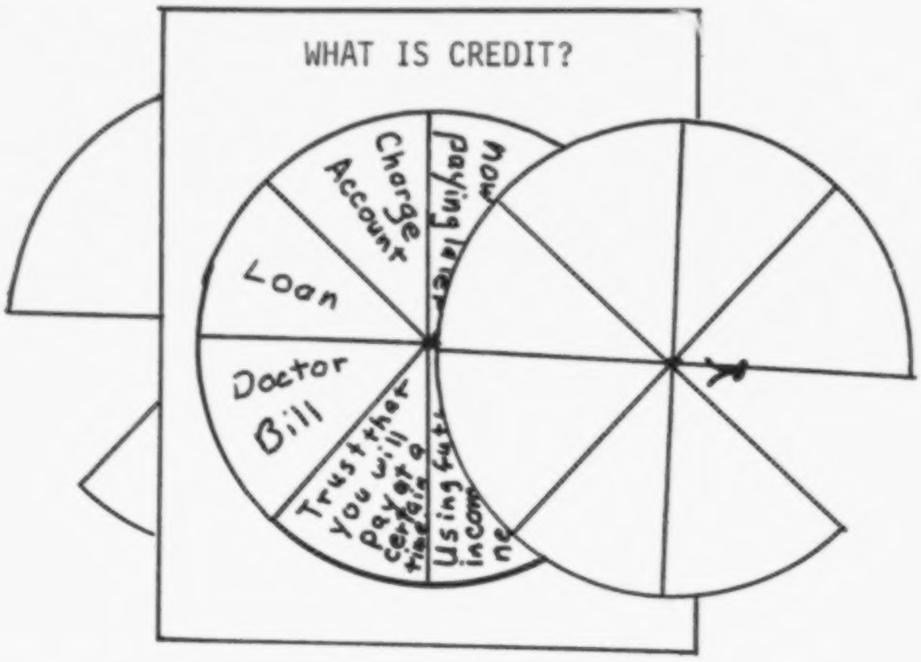
Credit is usually fairly easy to obtain. This often encourages people to spend money for things which they probably cannot afford. Sometimes it is a good idea to use credit; sometimes it may not be a good idea. What questions might you ask yourself before deciding to use your credit? Hand out Should You Use Credit? [see p. 170] to stimulate discussion.

APPLICATION: Give students the work sheet [see p. 172] and guide them in figuring the McDonalds' credit capacity [see p. 171]. Credit capacity is the amount that a family can afford each month in payments. Point out that knowing one's credit capacity helps one to make better decisions about using credit. Then distribute another work sheet and let them determine their own family's credit capacity. Give help as needed. This may also be done by students at home.

KEY IDEAS:

Consumer credit is the use of future income to satisfy present needs and wants.
Three kinds of credit are cash credit, retail credit, and service credit.
The ease of obtaining credit encourages spending which might not be advisable.
Awareness of factors to consider before deciding to use credit may lead to wiser use of credit.
Credit capacity is the amount that a family can afford each month in payments on credit purchases.
Measuring one's credit capacity contributes to the wise use of credit.

WHAT IS CREDIT?


WHAT IS CREDIT?
Charge Account
now paying later
Loan
Doctor Bill
Trust that you will pay at a certain time
Using future income

Materials Needed: 2 Posterboard sheets
Bright colored construction paper
1 Brad
1 Felt-tipped marker
Glue

Instructions:

1. Cut 2 large circles from one piece of posterboard.
2. Divide each circle into 8 pie-shaped wedges.
3. Cut one wedge from each circle.
4. Glue wedges of colored construction paper on the other 7 wedges of the circle, alternating colors.
5. Draw circles of the same size on front and back of other sheet of posterboard.
6. Divide these circles into 8 pie-shaped wedges.
7. On one side of the large posterboard print the heading, "What Is Credit?" and on the other side, "Why Do People Use Credit?"
8. On each of the 8 wedges of the circle print one phrase as indicated below:

What Is Credit?

(1) Trust that you will pay at a certain time
(2) Buying now and paying later
(3) "Rent" you pay for using someone else's money
(4) Charge account
(5) Loan
(6) Doctor bill
(7) Using future income for present needs and wants
(8) A service for which we must pay

Why Do People Use Credit?
  (1) To meet present needs by using future income
  (2) To meet emergencies
  (3) For necessities
  (4) For major items
  (5) For things that last after last payment
  (6) For luxuries
  (7) To save money
  (8) For impulse buying

9. Punch holes in the center of each circle and the posterboard.
10. Attach circles, made in steps 1-4, on one side of posterboard with the colored wedges to the outside with brad.
11. Turn the circle attached until the cutout wedge is centered showing one of the statements on the posterboard.

Should You Use Credit?

Ask yourself these questions before you decide to buy on credit or borrow money.

1. Do I need it?
2. Do I need it now?
3. Is having it now worth the extra money I must pay to use credit?
4. Can I make the payments?
5. Will I pay too much interest?
6. What good will it do me?
7. What will I go without to pay for it?
8. Is it worth the risk of losing the money I have put into it if I can't finish paying for it?
9. Am I buying (or borrowing) from a fair and honest person?
10. Should I risk owing so much money that I won't be able to get more if I get sick or have an accident?

Think about your answers. Is it best to use credit or to wait until you can pay cash?

Remember...
Make sure you have more and better reasons for using credit than for not using it.

WHAT IS THE MCDONALDS' CREDIT CAPACITY?

The Glen McDonald family want to know what their credit capacity is. You can help the McDonalds find out. (The McDonald family consists of Mr. McDonald; his wife, Ann; and their three children, Charles, Jim, and Susan.) Mrs. McDonald has made the following notes on the family income. Fill in this information on your work sheet. Mr. McDonald's take-home pay is $62 a week. His boss told him he would make $75 a week, but after income taxes, Social Security, and other deductions, Mr. McDonald gets $62. This is the amount of money Mr. McDonald is certain to bring home each week. Mrs. McDonald usually makes $6 a week sewing for friends and neighbors, sometimes more. Charles, 14, clears $4 a week from his paper route and Jim, 11, adds $3 a week from the money he makes doing odd jobs for the neighborhood grocer. Susan is only 8 and does not contribute to the family income.

The McDonalds need to know how much money they have to spend each month. First add up what the family makes each week. Then multiply by 4 (the number of weeks in a month) and you will be able to tell the McDonalds their monthly income. Sometimes the McDonalds make more money in a month--when Mr. McDonald works overtime or when Mrs. McDonald does more sewing than usual. But the McDonalds will only count on the money they are sure to get. Next multiply the monthly income times 12 to find out what the McDonalds will make in a year.

Mrs. McDonald has kept a record of all the money the family spent in the past month. Enter the figures for one month in the expense column on your worksheet.

Monthly	
$125	Food
18	Clothing
75	Rent (paid monthly)
15	Utilities (not included in rent)
19	Transportation
4	Household Supplies
4	Personal
11	Medical and Dental Care
5	Education
6	Church and Gifts
5	Installmant Payments
$287	Answer

Multiply this figure by 12 months to estimate the family's yearly expenses.

To figure the McDonalds' credit capacity subtract their monthly expenses from their monthly income. What is left is the amount they have for saving, emergencies, and new installment payments. If the McDonalds decide to save $7 a month, they could only afford $6 more installment payments each month. If they already have a savings and a fund for emergencies, they could afford $13 in installment payments each month in addition to the $5 they already pay on installment payments. Then their credit capacity would be $18.

OUR FAMILY CREDIT CAPACITY

Directions: Figure out how much money your family makes in a week, in a month, in a year. List the money you are sure you will get. Don't include overtime pay or money from temporary jobs.

Weekly income:	Father	________
	Mother	________
	________	________
	________	________
	Total	________
		x 4 weeks
	Monthly income	________
		x 12 weeks
	Yearly income	________

Add up all your expenses. List everything you can think of. Use your highest guess rather than the lowest. Or better yet, keep a record of what you spend to help you plan for the future.

Expenses:

	Monthly
Food	________
Clothing	________
Housing	________
Electricity, Gas, Telephone, etc.	________
Transportation	________
Household Supplies	________
Personal (Haircuts, beauty, allowances)	________
Medical and Dental Care	________
Education	________
Church and Gifts	________
Installment Payments	________
Other	________
	________
Total	________
x 12 months	
Yearly Expenses	________

Subtract the amount of money you plan to spend from the amount you expect to make. How much is left? This is the amount you have for saving, emergencies, and new installment payments. This is your family's credit capacity.

Monthly Income	________
Monthly Expenses	________
Left	________

UNIT V: BORROWING
V-2. When and How to Use Credit

OBJECTIVES:

To cite obligations and responsibilities of using credit
To identify possible penalties for failure to meet credit obligations and responsibilities
To give examples of durable goods for which credit might be wisely used
To analyze a situation to determine whether credit was used wisely
To determine how making monthly payments might lead to a habit of monthly saving
To describe the conditions for obtaining a loan
To explain the relationship between the risk involved in a loan and the cost of credit
To recognize the necessity of a good credit rating and procedures for maintaining it
To fill out a credit application form

VOCABULARY: Credit capacity   Character   Capacity   Capital   Risk
Credit rating   Durable goods

Use the skit [see pp. 176-177] to show obligations and responsibilities of the borrower. Summarize by asking questions below.

What do you promise when you use credit?
You will pay the money you owe.
You will make payments at a certain time.
You will give back what you are buying if you do not finish paying for it and you likely will not get back the money you have already paid.

What happens if you do not make your payments?
Whatever you bought may be repossessed.
It may be sold at auction and may not bring as much money as you still owe.
You may have to finish paying even though you don't have the item any more.
It may be harder to get credit the next time you need it.

Review things to consider before using your credit from the handout in the last lesson, Should You Use Credit? Ask class to give examples of durable goods for which credit might be wisely used. Give the first three case study examples [see p. 178] and let class discuss points for and against using credit in each situation.

Give the last three cases [see pp. 178-179] in which credit was used and tell what happened as a result. Could problems have been seen before they happened? Was credit used wisely? What changes would you make?

Making monthly payments might lead to a habit of monthly saving. By getting the habit of making regular payments on a credit purchase, it may be easier for a family to make payments to themselves in the form of savings after the credit purchase has been paid for.

How does the lender measure the borrower's ability to pay? Use transparency [see p. 180].

Just as doctors measure a person's temperature, pulse, heartbeat, etc. to determine his health, a lender uses measures to determine a borrower's credit capacity (the amount of credit it is safe for him to use at any given time). The measures he uses are:

(1) Character--whether you pay your bills on time
(2) Capacity--whether you have a steady income
    --how much you earn
(3) Capital--whether you own property or things worth more than your debt

How you "measure up" determines your credit rating.

If the borrower meets these three qualifications, he is considered a "good risk." This means that the lender can be fairly sure that the borrower will repay the loan as he promises to do. If the borrower does not meet any of these qualifications, he will probably have difficulty getting a loan because the lender cannot be certain he will get his money back. Many borrowers are somewhere in between these two extremes. One borrower may not earn much income, another might do only seasonal work, a third might not own any property and still another might not pay his bills on time. Any of these things lowers one's credit rating. A combination of several incidences where the borrower does not measure up will make his credit rating still lower.

What is a credit rating?

> Credit is based on the lender's faith in the borrower's ability to pay. A credit rating helps the lender to determine whether the borrower is likely to repay his debt. To determine your credit rating the lender will probably telephone the local credit bureau. They will know if you pay your bills when due. If you move to another town, the credit bureau there can get your credit records from the credit bureau in the town you left. Your credit record stays with you even if you move to another town.

What if you don't "measure up"?

(1) You may not be given credit.
(2) You may not get as much credit.
(3) You may have to pay more money to get credit.

To protect your credit rating--use transparency [see p. 181]

(1) Keep your promise to pay on time.
(2) Let your creditors know if you can't pay--before the payment is due.

(3) Give creditors your reason for not being able to pay. Usually some other agreement can be made.

Why is having a good credit rating important? (So a family can borrow money to meet their needs and for emergencies.)

In case of an emergency, what would happen to the family with a poor credit rating? (They would either have no place to get credit so they could meet their emergency or they would have to pay very high interest rates.)

Can you think of times when a good credit rating might be particularly valuable to your family? (In an emergency, when durable goods are needed, for education, for a new car, to buy a house, to buy furniture.)

APPLICATION: Obtain some sample credit applications from local businesses and let students practice filling them out.

KEY IDEAS: The use of credit involves certain obligations and responsibilities.
Failure to meet credit obligations and responsibilities is likely to result in certain penalties.
Credit is used most effectively for durable goods that do not become worn out or useless before the end of the payment period.
The planning and regularity involved in making monthly payments may contribute to a habit of continuing to set aside a specific amount after the debt is paid.
The more risk involved in a loan, the higher the interest rate; inversely, the less risk, the lower the interest rate.
A good credit rating must be earned and maintained if use of credit is to contribute to success in family financial management.

WHAT IT MEANS TO PROMISE

Characters: Mary
Sally

Setting: Sally's kitchen--Sally is busy making a cake, when Mary knocks on the door.

Sally: (Goes to the door) Come in, Mary!

Mary: Thank you, Sally. Oh, Sally, I just don't know what to do!

Sally: Why, what's wrong, Mary?

Mary: (Almost in tears) It's the finance company! They're going to take away the furniture.

Sally: Why, Mary? Didn't you make your payment this month?

Mary: Well, no, but Bobby, Jr. just had to have a new coat. His old one was so small and Cindy needed new shoes, so I didn't have enough money left to make the payment on the furniture.

Sally: What about last month?

Mary: Well..., no, I guess we didn't make the payment last month either.

Sally: Wasn't it last month that Bob bought the new hunting gun?

Mary: Yes, and I guess we should have saved that money for payments. It would have almost been enough money for both payments.

Sally: When you and Bob borrowed the money for the furniture, you signed a contract promising to pay back the money, Mary. If you don't make the payments once a month like you promised, the finance company has a right to take back the furniture. In fact, that's probably in the contract you signed.

Mary: What about the money we've already paid? Can we get that back?

Sally: No, you probably won't get any of the money back.

Mary: What will they do with the furniture?

Sally: It may be sold at auction. If it is, it probably won't bring as much money as you still owe.

Mary: Do you mean we will still owe money on the furniture even if we don't have it any more?

Sally: Yes, you may have to finish paying for it even if you don't have it.

Mary: What will we do without furniture? We'll have twice as many payments if we have to pay for the furniture after it's repossessed and for new furniture too!

Sally: There's one thing worse than that, Mary. If your furniture is repossessed, it may be harder to get credit next time you need it. If you try to buy new furniture on credit, you may have to pay higher interest or you may not be able to get credit at all.

Mary: But that's not fair!

Sally: Yes, it is, Mary! You promised to pay back the money you borrowed for the furniture! If you don't, you and Bob will have to accept whatever happens.

Mary: Oh, Sally! What can we do?

Sally: Well, maybe if you went to talk to the people at the finance company, they might give you a second chance. But if they do, you must not miss another payment or you'll lose your furniture for sure. At least it's worth a try.

Mary: Yes, it is. I'd do anything to keep from losing the furniture. I'll go home right now and talk to Bob. Maybe we can go to see the people at the finance company this afternoon. Thank you so much, Sally.

Sally: You're welcome, Mary. And good luck!

Mary: 'Bye. I'll let you know what happens in the morning. Thanks again.

Sally: Goodbye, Mary.

UNEXPECTED EXPENSES CREATE PROBLEMS

The Valdez family is a large family. There are five children and with this many one of them nearly always needs something. This week, Maria, a high school senior, needs a dress for the senior prom. The Valdez's have saved some money for the dress, but last week Antonio had a bad toothache and had to visit the dentist. Mrs. Valdez does not know what to do about getting a dress for Maria, but she does not want Maria to miss the prom. Even an inexpensive dress will cost about $20 and the dentist said Antonio should come back in 2 weeks. If she buys the dress on credit, the bill would be due the same week and there is little chance of saving enough money for the dentist's bill by then.

BEYOND REPAIR

The Sneeds' hot water heater has heated its last gallon of water. The repairman says it can't be fixed, which means buying a new one immediately. An illness in the family took nearly all of the Sneeds' savings last month. If they spend their savings on the water heater, there will be only a few dollars left should another emergency occur. If they use credit, the Sneeds will probably have to pay high interest because they have a poor credit rating.

TO REPAIR OR NOT TO REPAIR

Joseph and Anna Patterson have an old car that doesn't run too well. They would like to buy a newer one, maybe one about 3 years old. They have $300 saved toward the purchase. They have planned to pay cash for the car. Today the old car stopped running again. The repairman says it will cost $100 to fix it. This is a third of the Pattersons' savings for the new car. They don't think that the repairs will add more than $50 to the value of the old car. Since the Pattersons have no other savings, they are worried about not having any extra money for emergencies. Also, Joseph's employment is irregular, so they might not have money for regular payments each month.

THE ARNOLDS' INSTALLMENT BUYING

The Howard Arnolds thought the installment plan was tops. It allowed them to buy the very latest thing in kitchen ranges when they were first married. Several months later Helen became pregnant and had to give up her job. Still with the range only half paid for, they easily financed a new refrigerator and everything they wanted for the new baby.

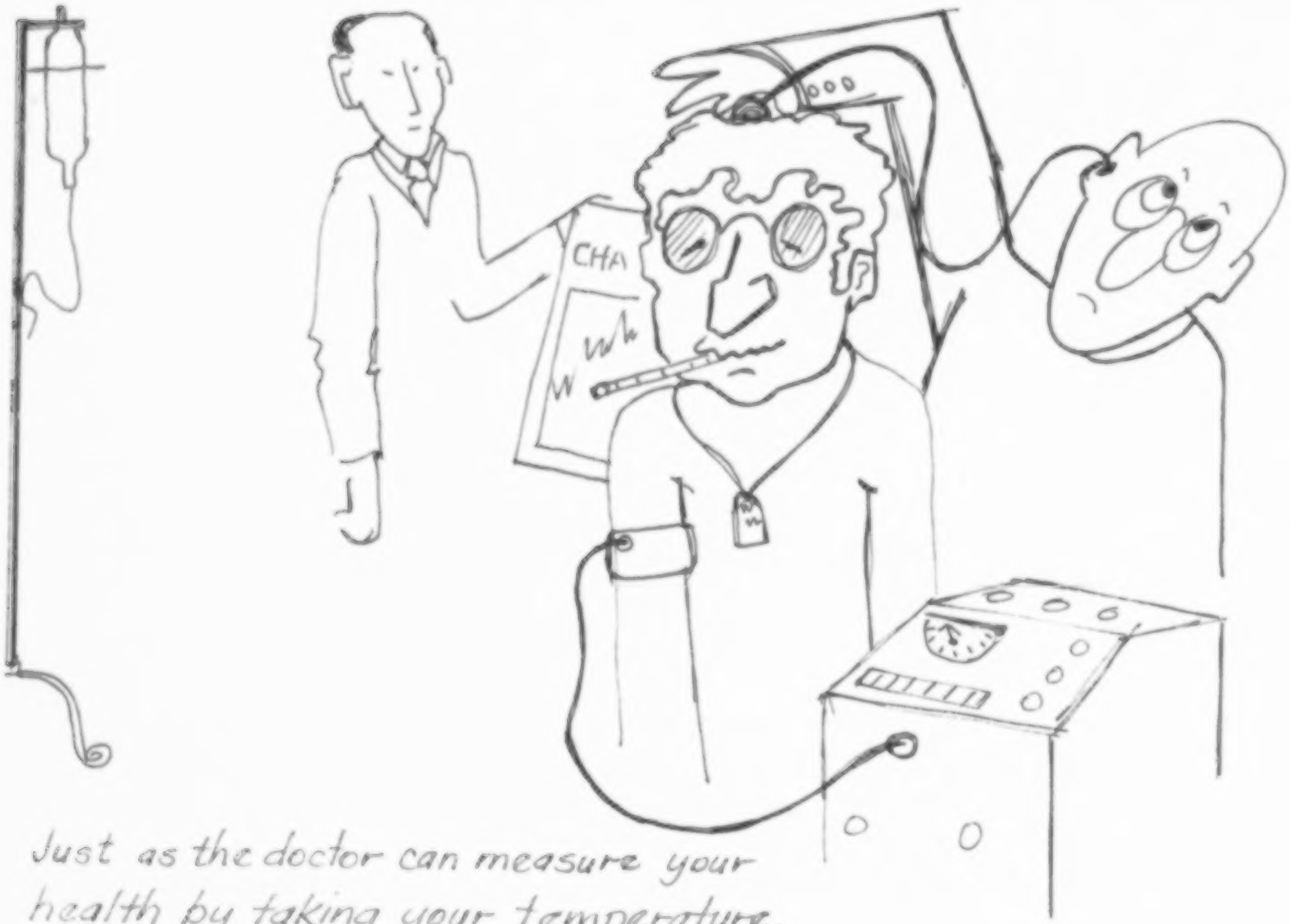
Then they found that they needed clothing and household items. Charge accounts seemed the obvious answer. They decided they must have a new TV and at only $9.95 a month, what could they lose? After the baby came, the Arnolds felt cramped for space and decided to buy a new house with a $14,000 mortgage. Emergencies and doctor bills forced the couple to borrow from a finance company to tide them over. Plagued with overdue bills, the Arnolds finally took a look at their financial situation. They were over $2,000 in debt, not counting the mortgage. With a second child on the way, Helen couldn't take a job, so they decided to sell the house. But it wouldn't sell! Finally the Arnolds lost the house to the bank when they couldn't make their mortgage payments and, at last, the Arnolds had to file for personal bankruptcy.

INSTALLMENT BUYING AND AFTERWARD

Mrs. Horace Cooper is a widow on welfare. Still she had little trouble getting credit from a finance company when she decided to buy a TV set. She planned to cut down on her food buying to make the payments. Then a door-to-door salesman convinced Mrs. Cooper that she owed it to herself to buy a new set of pots and pans at a cost of $5 a week. What Mrs. Cooper didn't know was that the pans cost $49.50 and that the interest was 30%. She would be a long time paying for those pans. For a while all was well. Then Mrs. Cooper became ill. She was able to see a doctor at the free clinic, but the medicine she needed was not available through the clinic and it was expensive. Mrs. Cooper's TV set was repossessed after she had made 3/4 of the payments. The pots and pans were also taken back. Mrs. Cooper was at least relieved to think she would not have to struggle to keep making payments. Then she learned that despite the fact that her purchases had been repossessed, she still had to pay for them.

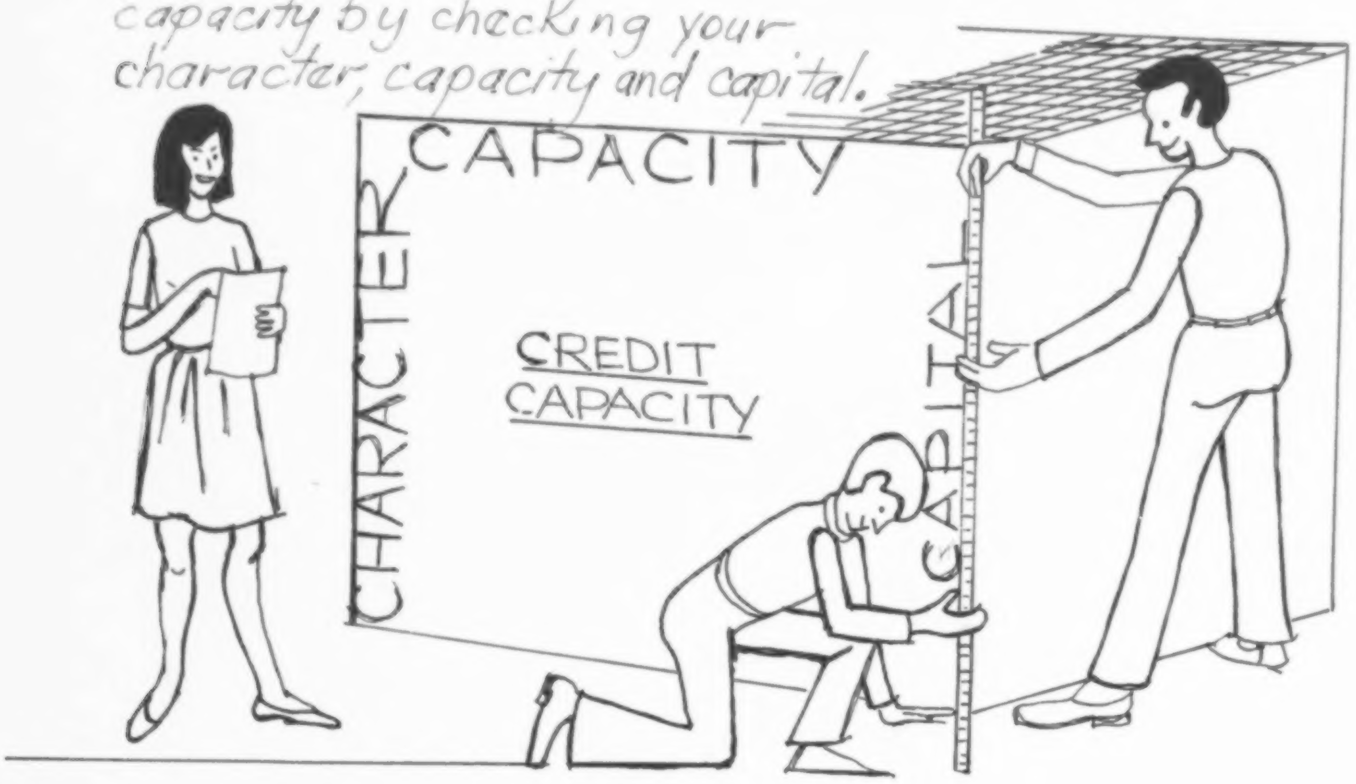
THE JOHNSONS GET THE THINGS THEY NEED

Jerry and Joan Johnson are very careful when they use credit. They use it only for big purchases which are really needed. They shop around for credit and get money for their purchases where it costs them the least. So far the Johnsons have used their credit to buy a used car, a refrigerator, and a stove. Each was paid for before they bought the next. Today they make the last payment on the stove. They keep a small savings account for emergencies that inevitably occur, so they never fall behind on payments. By making only one credit purchase at a time, the Johnsons have a little extra money at the end of each month. They never have to cut down on necessities in order to keep up their credit payments. Next month the Johnsons will have enough money saved to make a sizeable down payment on a washing machine. This will save them a lot of interest. With a baby on the way the Johnsons will make good use of the washing machine.

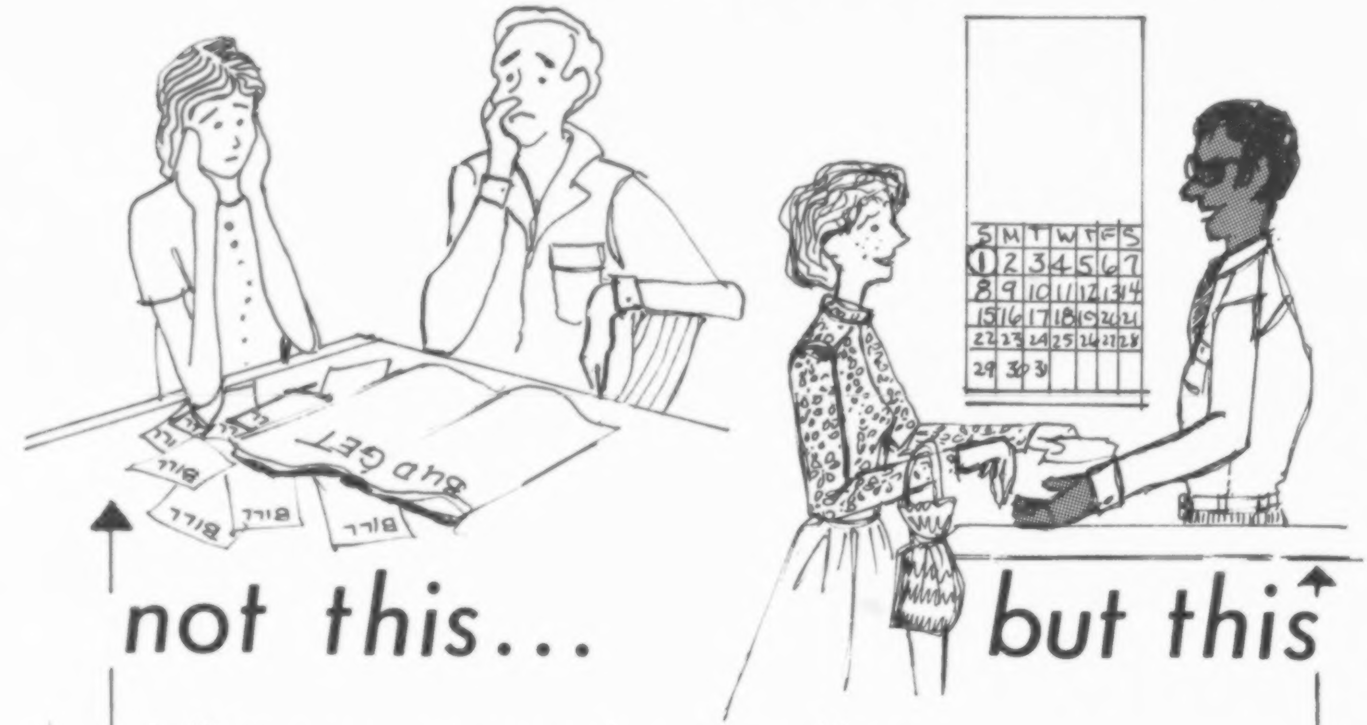


Just as the doctor can measure your health by taking your temperature, pulse and blood pressure......

... you can measure your credit capacity by checking your character, capacity and capital.


CAPACITY
CHARACTER
CAPITAL
CREDIT
CAPACITY

TO PROTECT YOUR *CREDIT RATING*—


BILL
BUDGET
S M T W T F S
DENTAL
DOCTOR
BILL
Credit Manager

not this... **but this**

1. Keep your promise to pay on time.

2. Let your creditors know if you can't pay — before due date.

3. Give creditors your reasons for not being able to pay. Usually some other agreement can be made.

UNIT V: BORROWING
V-3. How Much Does Credit Cost?

OBJECTIVES:

To figure the cost of using credit for a given purchase
To relate the size of a down payment and length of repayment period to the interest rate or finance charges
To determine how shopping for credit can aid in getting the most for one's money

VOCABULARY: Interest Finance charge Down payment Cash price
Dollar cost of credit True annual interest rate

Use visual entitled How Much Does Credit Cost? [see p. 185] and let class members answer questions.

You have probably all watched quiz shows on TV. Today we are going to have a TV type quiz of our own. Before we begin our lesson, let's answer the questions in our "Do You Know?" quiz. As each question is read, decide what your answer will be. Then you will be asked to raise your hands for the answer you chose and we will write down on the flap the number who choose each answer. After our lesson we will look at our answers again to see if we want to change any of them.

Buying on credit instead of paying cash is a more expensive way of getting goods because extra charges are added to the purchase price.

These charges--service charges, carrying charges, or finance charges--refer to the price paid for borrowing. The person who sells goods on credit charges extra because he must wait for his money. He also charges extra to make up for the bad debts of other people who have bought on time and have not paid him. He charges, too, for checking the credit rating of the person who buys on credit. The charge sometimes includes the cost for a credit life insurance policy.

How much does credit cost? Hand out How Much Does It Cost to Use Credit? [see p. 186]. Go over the example on the instruction sheet with the class. Emphasize the importance of always trying to find out how much credit costs. Give students paper to use in figuring the cost of credit for examples [see p. 187].

What other charges might be made in a credit transaction? (Credit life insurance, credit health insurance, computer account fee, title fee, etc.)

Hand out sheets titled Use This Chart to Compare Credit Costs [see p. 195] and read each story [see p. 188] that goes with this example. For teacher's answer sheet, see p. 190. At end of discussion about the Walters, point out that:

You may save money by choosing the less costly source of credit.

The lowest dollar cost of credit, however, should not be the only consideration. All elements of a transaction--the entire "package"--should be considered (quality and price of goods or service, terms, convenience, fairness, dependability, leniency, helpful guidance, etc., as well as the credit cost).

Why shop for credit? (Costs vary.) How does one shop for credit?

(1) Get the cash price for an item from several dealers.
(2) Find out if there would be a discount for paying cash.
(3) Get the cost of loans from several sources. It might cost less to borrow from a bank or credit union and then to pay cash for a purchase than to pay the installment sales charges.
(4) Get all the costs involved in paying on the installment sales plan. The dealer is required to put all information regarding costs on the installment sales contract, but don't wait until the contract is made out--get the facts before you commit yourself. The size of the monthly payment can be almost any amount you want to pay. Remember that small payments for a long time increase the cost of credit.
(5) Compare final costs from the sources you have contacted. When you know the facts, you can see which is the best deal. You must decide if having the item now is worth the extra cost, or if it would be better to wait until you could save at least enough for a large down payment.

At close of class, again use the visual Do You Know?, record answers, then lift flaps to show the correct answer.

APPLICATION: Have students work in groups to practice figuring the dollar cost of credit from several sources, emphasizing the idea of comparing costs of credit. [See p. 191 for example.]

Use the example [see p. 193] to show how the size of the payments and the length of repayment affect the cost of credit. Point out that by making as large a down payment as you can and repaying your debt as quickly as possible, you can save money.

Using both examples, ask the class questions to help them understand that different types of credit cost different amounts and that some sources of credit are less expensive than others.

As groups report which was the least expensive source of credit, have class compare dollar cost of credit with true annual interest rate. Define: true annual interest rate--the per cent of interest you would pay to use the money you borrow for one year. This figure must appear on your contract. Show class contracts with the true annual interest rate circled in red.

KEY IDEAS: The use of credit increases the cost of a product. When using credit, the larger the down payment and the shorter the repayment period, the lower the interest

and finance charges will be.
Shopping for credit, like shopping for other products and services, can help the consumer get the most for his money.

HOW MUCH DOES CREDIT COST?

1. Does using credit make what you buy cost any more?	Yes	No
2. Does credit cost the same amount wherever you get it?	Yes	No
3. If you make a larger down payment, will your payments be larger or smaller?	Smaller	Larger
4. If you make a small down payment, will you pay more interest or less interest than if you made a large down payment?	More	Less
5. If you take 24 months to pay your bill, will credit cost more or less than it would if you took 12 months?	More	Less

DIRECTIONS FOR MAKING POSTER:

To make the poster, print each statement on posterboard. Print the words to the right on the poster and circle the correct answer. Make flaps to cover the answers. Print the words to the right of each question on the flaps, leaving space to the right of each word for recording the number of students choosing that response.

HOW MUCH DOES IT COST TO USE CREDIT?[1]

Use this example to learn how to figure the dollar cost of credit: You want to buy a refrigerator. It would cost $290 (price plus tax) if you paid cash for it. You plan to make a down payment of $30. You say you will make 18 monthly payments of $16.50 each.

Step 1.

Multiply the amount of each payment by the number of payments.

$$\begin{array}{r} \$\ 16.50 \\ \times\ \ 18 \\ \hline 13200 \\ 1650 \\ \hline \$297.00 \end{array}$$

Step 2.

Add any other charges and the down payment to your answer. This gives the total amount you will pay.

$$\begin{array}{r} \$297.00 \\ 30.00 \\ \hline \$327.00 \end{array}$$

Step 3.

Subtract the cash price from the "on time" price.

This is how much more you pay to buy "on time."

$$\begin{array}{r} \$327.00 \\ -290.00 \\ \hline \$\ 37.00 \end{array}$$

Figure the cost of financing new furniture costing $364 cash with a down payment of $64. Monthly payments are $27.50 each for 1 year.

($27.50 x 12 = $330.00 + $64.00 = $394.00 - $364.00 = $30.00)

Figure the cost of financing a TV set with a cash price of $250 and a down payment of $25. You will pay 11 monthly payments of $20.60 each and 1 of $20.90.

(11 x $20.60 = $226.60 + $20.90 = $247.50 + $25.00 = $272.50 - $250.00 = $22.50)

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[1] From How to Figure the Dollar Cost of Credit. Washington, D.C.: U.S. Government Printing Office, April, 1968.

HOW MUCH DOES IT COST TO USE CREDIT?[1]

Step 1.

Multiply the amount of each payment by the number of payments.

$
x ________
$

Step 2.

Add any other charges and the down payment to your answer. This gives the total amount you will pay.

$
+ ________
$

Step 3.

Subtract the cash price from the "on time" price.

This is how much more you pay to buy "on time."

$
- ________
$

---

[1] From *How to Figure the Dollar Cost of Credit*. Washington, D.C.: U.S. Government Printing Office, April, 1968.

THE WALTERS SHOP FOR MONEY

The Walters family is buying a new television set. They have decided that they will use their credit to make the purchase. After shopping around and comparing TV sets and prices, they have decided on one which has a cash price of $229.95. Now they are ready to shop for money to pay for the TV set. They will shop just as carefully as they did for the TV set. First, they ask at the store about credit plans. The salesman tells them that they can purchase the TV set on credit using either one of two plans. The first one is called a 90-day open account. Using this plan the Walters would make a down payment of $29.95 and pay the rest in three months. The first two payments would be $75 each month. The last payment would be $50. There are no other charges and no interest is charged on 90-day accounts. (Use a transparency, blackboard, or chart to help students fill in the figures on their own charts for each source.)

The store also has an installment credit plan. If the Walters made a $29.95 down payment, they would have 12 monthly payments of $18.33 each. There are no other charges, and the true annual interest rate is 16.8%. The Walters thanked the salesman for his help and told him they wanted to shop some more before they decided where they would get the money for the TV set. (Allow time for students to figure credit costs.)

The Walters decided that since they had the money, they would definitely make the $29.95 down payment on the TV set.

Next they went to the bank where they asked for information about making a $200.00 loan. The banker told them that they could borrow $200 and repay the loan in 12 monthly payments of $17.80 each. The bank's true annual interest rate is 11.7%. (Allow time for students to figure credit costs.)

The Walters also checked with the finance company about making a $200 loan. They learned in order to get the loan they would have to make a down payment to the finance company of $18.83. The rest of the loan would be repaid in all monthly payments of $18.00. True annual interest is 16.2%. (Allow time for students to figure credit costs.)

The Walters then checked with a small loan company. To borrow $200 there they would have to make a down payment on the loan of $21.95. Monthly payments of $19.36 would be made for 12 months. The true annual interest rate of the small loan company was 35.9%. (Allow time for students to figure credit costs.)

The Walters must now decide which source they will use to get money for the new TV set. You can help them by answering the following questions:

1. Which source charges the most interest? the least? no interest?
2. At which source is the dollar cost of credit the most? the least?
3. If the Walters can afford large monthly payments, which would be the cheapest source of credit?

4. If the Walters cannot afford large monthly payments, which would be the cheapest source of credit for them?
5. If the Walters are poor credit risks, they may not be able to get credit from the first three sources. Which is the least expensive source remaining?
6. The last two sources of credit require a down-payment on the loan. If the Walters are not able to afford both the $29.95 down-payment to the store and the down payment on the loan, what might they do? (Not make the down payment to the store or borrow more money.) If they have to borrow more than $200, will this make the TV set cost more? (Yes, because they will have to pay more interest.)
7. The monthly payments on all but the first source of credit are about the same. From which source is the dollar cost of credit the least? the most?

USE THIS CHART TO COMPARE CREDIT COSTS

Lender	Method of Payment	Number of Payments	x	Size of Payments	+	Other Charges	=	Total Amount to be Repaid	+	Amount of Down Payment or Trade-in Allowance	=	Total Amount Paid	-	Cash Price	=	Dollar Cost of Credit	True Annual Interest Rate
Store	90-day open account	2 1	x x	$75.00 $50.00	+	0	=	$200.00	+	$29.95	=	$229.95	-	$229.95	=	0	----
Store	Installment credit	12	x	$18.33	+	0	=	$219.91	+	$29.95	=	$249.91	-	$229.95	=	$19.96	16.8%
Bank	Credit loan	12	x	$17.80	+	0	=	$213.60	+	$29.95 (to store)	=	$243.55	-	$229.95	=	$13.60	11.7%
Finance Company	Credit loan	11	x	$18.00	+	0	=	$198.00	+	$29.95 (to store) $18.83 (to finance company)	=	$246.78	-	$229.95	=	$16.83	16.2%
Small Loan Company	Credit loan	11	x	$19.36	+	0	=	$212.96	+	$29.95 (to store) $21.95 (to small loan company)	=	$264.86	-	$229.95	=	$34.91	35.9%

(Variation in the costs of financing the purchase of a television set which has a cash price of $229.95)

THE MCALISTERS NEED A REFRIGERATOR

The McAlisters are planning to buy a new refrigerator. They are checking the cost of different forms of credit. The cash price of the refrigerator is $225. They do not plan to make a down payment. If the McAlisters use the installment credit plan at the store, they will have payments of $20.62 a month, for 12 months. They will pay 18.5% true annual interest.

If they get a bank loan of $225 for a year, their payments would be $20.25 a month. Interest is 14.7%.

Mr. McAlister belongs to the credit union where he works. He could get a $225 loan there which would be repaid in 12 payments of $20 each. True annual interest is 12.3%.

At a finance company the family could get a loan at 32% interest with payments of $22 a month for a year.

No additional charges would be made on any of these loans.

USE THIS CHART TO COMPARE CREDIT COSTS

Lender	Method of Payment	Number of Payments	x	Size of Payments	+	Other Charges	=	Total Amount to be Repaid	+	Amount of Down Payment or Trade-in Allowance	=	Total Amount Paid	-	Cash Price	=	Dollar Cost of Credit	True Annual Interest Rate
Store	Installment credit	12	x	$20.62	+	0	=	$247.44	+	0	=	$247.44	-	$225.00	=	$22.44	18.5%
Bank	Loan	12	x	$20.25	+	0	=	$243.00	+	0	=	$243.00	-	$225.00	=	$18.00	14.7%
Credit Union	Loan	12	x	$20.00	+	0	=	$240.00	+	0	=	$240.00	-	$225.00	=	$15.00	12.3%
Finance Company	Loan	12	x	$22.00	+	0	=	$264.00	+	0	=	$264.00	-	$225.00	=	$39.00	32%

A HOUSE FOR THE JOHNSONS

The Johnsons are buying a home. The house will cost $12,000. The Johnsons have saved $2,000 for a down payment on the house. After checking at different banks they have been given the following figures on making a mortgage of $10,000.

Bank I. 20-year mortgage at 5-1/2% interest would have monthly payments of $68.80.
30-year mortgage at 5-1/2% interest would have monthly payments of $56.80.

Bank II. 20-year mortgage at 6% interest would have monthly payments of $71.70.
30-year mortgage at 6% interest would have monthly payments of $60.00.

Assume that no other charges are made.

USE THIS CHART TO COMPARE CREDIT COSTS

Lender	Method of Payment	Number of Payments	x	Size of Payments	+	Other Charges	=	Total Amount to be Repaid	+	Amount of Down Payment or Trade-in Allowance	=	Total Amount Paid	-	Cash Price	=	Dollar Cost of Credit	True Annual Interest Rate
Bank I	Mortgage	240	x	$68.80	+	0	=	$16,512	+	$2,000	=	$18,512	-	$12,000	=	$ 6,512	5 1/2%
Bank I	Mortgage	360	x	$56.80	+	0	=	$20,448	+	$2,000	=	$22,448	-	$12,000	=	$10,448	5 1/2%
Bank II	Mortgage	240	x	$71.70	+	0	=	$17,208	+	$2,000	=	$19,208	-	$12,000	=	$ 7,208	6%
Bank II	Mortgage	360	x	$60.00	+	0	=	$21,600	+	$2,000	=	$23,600	-	$12,000	=	$11,600	6%

USE THIS CHART TO COMPARE CREDIT COSTS

Lender	Method of Payment	Number of Payments	x	Size of Payments	+	Other Charges	=	Total Amount to be Repaid	+	Amount of Down Payment or Trade-in Allowance	=	Total Amount Paid	-	Cash Price	=	Dollar Cost of Credit	True Annual Interest Rate

UNIT V: BORROWING
V-4. Where Can I Get Credit?

OBJECTIVES:

- To name sources of credit
- To analyze credit sources to determine reliability
- To compare interest rates charged by different sources of credit
- To select the type of credit to use for specific situations

VOCABULARY: Credit union Charge accounts Sales credit
Revolving credit accounts Installment credit Lay-away
Credit cards Cash credit Mortgage Personal loans
Installment loan Single payment loan Service credit

Shopping takes time and patience, but it is a good rule to look around before buying anything. The same is true when shopping for money.

Money costs different amounts to borrow at different places, just as other goods cost different amounts at different places. Since the rates of interest are different, we should know about the different places we can borrow money and the rates they charge.

Use a flannel board or transparency [see p. 199] to show pictures of the following sources of credit:

Stores offer charge accounts and installment plans. The amount of interest you pay depends on the store where you buy.

Banks charge a lower interest rate than most other places that lend money. To borrow from a bank, you must have a good reason and be a good risk.

Credit unions are formed by a group of people. You must pay money into the credit union to join. You earn interest on your money. Members may also borrow money. You need a good reason to get a loan, just as you do at a bank. Each credit union decides how much interest it will charge. Their charges are usually about the same as at a bank.

Personal finance companies and Small loan companies extend loans to people with high risk credit ratings. You pay more interest than you would at a bank because you do not need to own much property to back the loan. At some companies you do not need to own anything to back up the loan, but the interest rate will usually be even higher.

Pawnshops loan money, too. You must leave something valuable like a watch or a TV with a pawnshop. They don't give you much money for what you leave there. They can sell it if you don't pay back the loan when you say you will. Pawnshops charge high interest rates.

Illegal lenders charge very high interest rates. Sometimes they are called "loan sharks." [Transparency, see p. 200] They charge more than any other place you can get credit. For your own good, do not borrow from illegal lenders.

Use the transparency [see p. 201] as a basis for the following discussion:

Which were the least expensive sources of credit? the most expensive?
For which source would you need the best credit rating?
Where could a person with a poor credit rating borrow money? Would he pay more or less interest than at a bank?

Use situations entitled Sources of Credit [see p. 202].

There are three main types of credit. These are: sales credit, cash credit, and service credit. Place these headings on a flannel board or bulletin board and place examples of each type under the heading as they are discussed.

SALES CREDIT--credit you receive when you make a purchase now and promise to pay later

(1) Installment plan--payments to the store are made in equal amounts over a period of weeks or months. A down payment is often required. Many people use this plan to buy things that are expensive. The store can take back what you are buying if you do not make the payments. This type of credit is usually used for big things, like a washing machine, TV, or furniture.

(2) Charge accounts are offered by many stores. The store may tell you how much you can charge. Sometimes, however, no limit is set. You usually get a bill each month telling how much you owe.

Charge accounts may be different types. One kind is the open charge account. With this kind of charge account, you must pay the entire amount when you get the bill. You pay no interest on this kind of account.

With another kind, called "budget accounts," you must pay a certain amount each month as long as you owe at least that much. If you owe less, you pay only what you owe. You pay interest on what you still owe.

Still another kind is called "revolving" credit. The amount you must pay depends on how much you still owe. This amount is a certain percentage of what you owe. You pay interest on what you owe.

(3) Lay-away is another type of sales credit. The store keeps the item you purchase until you have paid the whole amount. This is good when you want to take advantage of a sale and don't need the item for a while. No interest is charged at most stores.

(4) Credit cards are also a type of sales credit. They are similar to installment plans. They are convenient to use when you don't want to carry much cash.

Use examples [see p. 203] entitled Sales Credit as a basis for discussion of uses of sales credit.

CASH CREDIT--credit you receive when you borrow cash and pay it back later

Personal loans may be either installment loans or single payment loans. Personal loans are particularly useful when you need cash to meet an unforeseen emergency or to help your family through a period of unexpected financial stress. A personal loan can help pay rent, buy food, and meet medical expenses when the head of the household is temporarily out of work or some member of the family is seriously ill. If it is repaid in a number of equal payments, it is an installment loan. If the loan is repaid all at once, it is a single payment loan.

A mortgage is also a loan. It is usually used when a family buys a house. The house is the security for the loan. The family pays back the loan in monthly payments. When the loan is repaid, they own the house.

Use situations entitled Cash Credit [see p. 203].

SERVICE CREDIT--credit given for a service one's family receives and pays for later

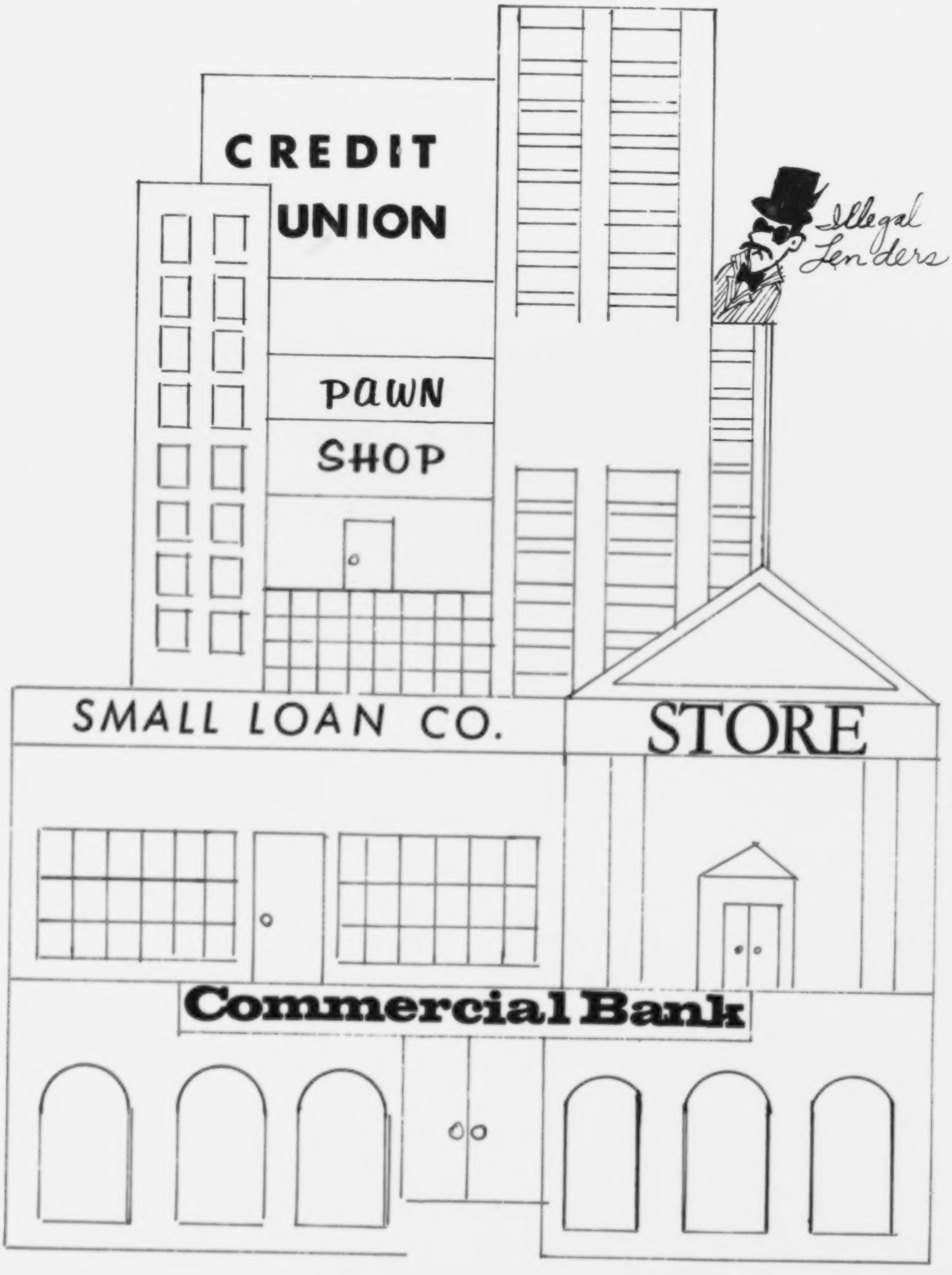
You use service credit when you make monthly payment for utilities you have used during the month--your telephone, gas, and electricity. You also use service credit when you pay your doctor, dentist, or hospital at the end of the month. You use service credit when you have your car repaired at a garage and then pay your bill.

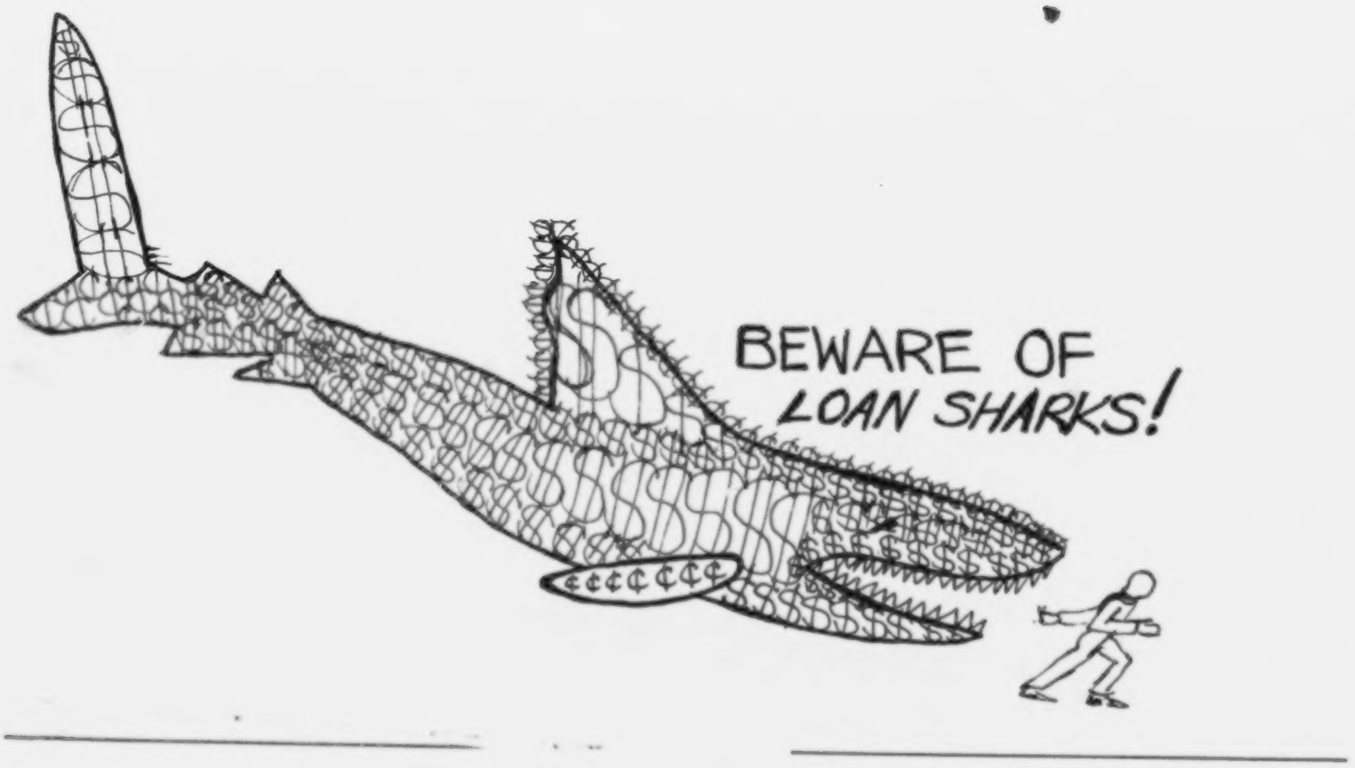
Use the situation [see p. 203] entitled Service Credit.

APPLICATION: Distribute sheet entitled Shopping for Money [see p. 204] to members of the class for them to fill out. Ask students to list sources of credit they have used and decide what alternatives they might have had.

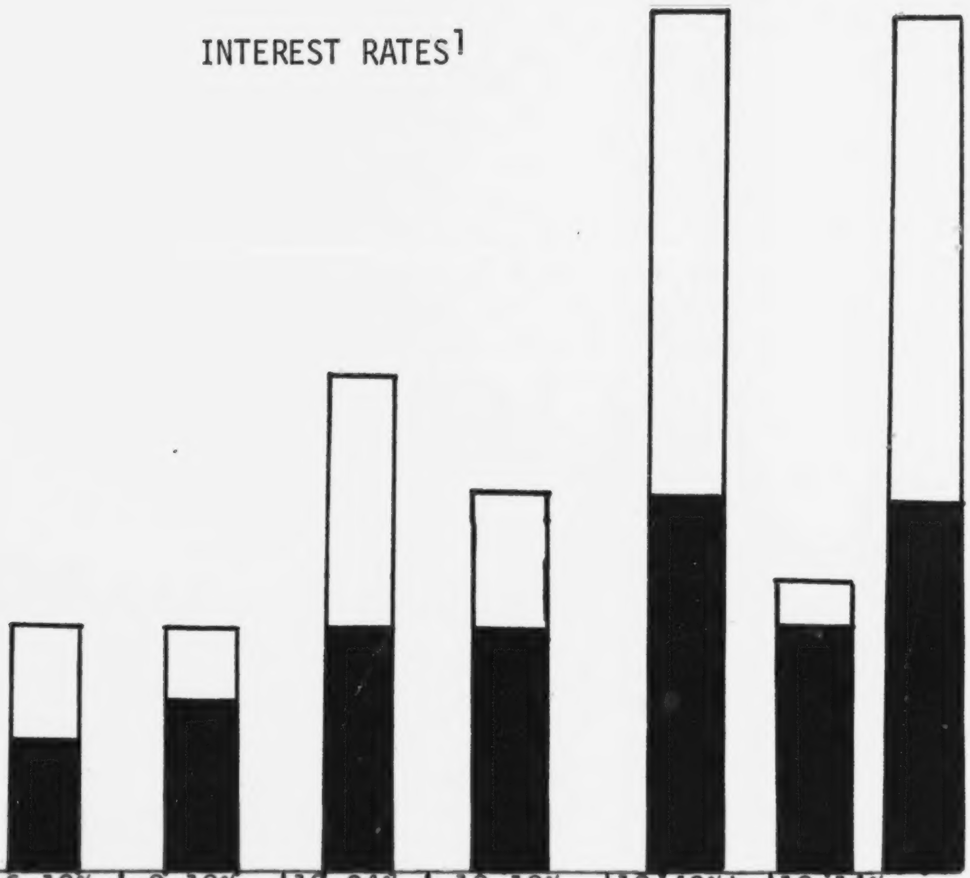
KEY IDEAS: Knowledge of sources of credit can aid the consumer in making choices.
Consumer interests are protected by dealing with reputable credit sources.
Knowledge of types of credit can aid the consumer in choosing the best type for his needs.

Sources of Credit


CREDIT UNION
Illegal Lenders
PAWN SHOP
SMALL LOAN CO.
STORE
Commercial Bank


BEWARE OF
LOAN SHARKS!

INTEREST RATES[1]



True Annual Interest Rate	6-12%	8-12%	12-24%	12-18%	18-42%*	12-14% on a new car 18-42% on a used car
Total Annual Interest	$3-6	$4-6	$6-12	$6-9	$9-12	$6-8 on a new car $9-21 on a used car
Stated Interest Rate	1%	6%	1-2%	1- 1 1/2%	1 1/2- 3 1/2%	6-7%
Amount Borrowed	$100	$100	$100	$100	$100	$100
Institution	Credit Union	Commercial Banks	Department Stores Mail Order Houses	Installment Dealers	Licensed Small-Companies	Finance Companies

*May raise initial cost of item

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[1] Adapted from Margolius, Sidney. How to S-T-R-E-T-C-H Your M-O-N-E-Y; Modern Techniques of Management. New York, New York: Public Affairs Pamphlet No. 302, 1960. pp. 20-21.

SOURCES OF CREDIT

John Smith has worked hard to keep a good credit rating. It was once threatened, though, after Jennie, his second child, was born. John was laid off his job as a construction worker for four weeks during some unusually bad weather. John and Mary, his wife, had just purchased a new washing machine and couldn't meet the payments that month. John contacted the store where he purchased the washing machine and explained what had happened. The store agreed to reduce his payments to what he could afford to pay until the crisis was over. John's credit rating was saved and now the washing machine is paid for. Now John and Mary would like to purchase a clothes dryer. Where would you advise them to shop for credit? Which would be the least expensive source?

John Smith's friend, Harry Turner, isn't as fortunate as John. Harry doesn't have a good credit rating. Harry and his wife, Betsy, had purchased $3000 of merchandise on credit. This included furniture for the house they rented when they outgrew their old apartment, a TV, washing machine, clothes, and even toys for the children at Christmas. Then Harry fell off a ladder while hanging screens and broke his back. He couldn't work for four months. The family had to go on welfare and couldn't even afford token payments on the large amount of money they owed. They hid from their creditors until finally the furniture, TV, and washing machine were taken away. Harry is working again now. He still owes a lot of money. He hasn't paid his doctor bill.

Where could Harry borrow money to pay off all his debts and reduce his monthly payments? Will his interest be more or less than at a bank? Why?

Harry's neighbor, Manuel Garcia, has never used credit. Manuel and his wife, Maria, have always paid cash or done without. Now their son, Robert, wants to go to trade school. Manuel wants his son to learn a trade so he can get a good job, and Robert can work part time to help pay his expenses.

The Garcias have a small savings at the credit union where Manuel works. It isn't big enough to pay for the trade school. If the Garcias use their savings, they will have nothing for emergencies. Manuel decides they must borrow the money.

Where could the Garcias borrow money for Robert to go to trade school? Would they be a good risk?

SALES CREDIT

John Archer wants to buy a TV set for his family. What type sales credit might he choose?

Tom Armstrong wants to visit his mother in San Antonio during his summer vacation. He doesn't want to take a lot of money with him, but he will need to buy gas at least twice on the way. What type sales credit might he use?

Mary Brown's son, Johnny, has outgrown his last winter's coat. Mary had thought it would do another year and did not make plans for a new coat, so she has saved no money for one. What type sales credit could Mary use to buy the coat so Johnny can wear it while she pays for it?

Mrs. Carpenter has found a coat on sale which would be a good choice for her husband, Carl. Mr. Carpenter won't need the coat for several months and Mrs. Carpenter isn't sure she can make regular payments for it. What type sales credit might she use, so Mr. Carpenter will have the coat when winter comes?

CASH CREDIT

Kenneth Davis does seasonal work as a farm hand. Sometimes his family has a lot of money, sometimes only a little. Kenneth must drive to his jobs, but his old car will not last much longer without a lot of repair. He has decided that it would be good to buy a used car to replace the old one. What type of loan might be best for Kenneth?

The Evans family has outgrown their small apartment. They have decided they would like to buy a home, so their two children will have a place to play. They have saved enough money for a small down payment. What type of loan would they get to pay the rest?

Stanley Fry's wife, Ellen, needs an operation that will take more than the Frys' small savings. Stanley has a steady job with a small amount of money left after expenses are paid each month. What type loan could the Frys get to pay for Ellen's operation?

SERVICE CREDIT

Jesse Gonzales brags that he has never used credit of any kind. Do you think this is true? What type of credit may Jesse use without realizing that he is using credit?

Ye ol' "Money" Shoppe
Sale!
8%

Shopping for Money?

These are some sources of credit. Circle the ones you have used.

Bank

Finance company

Small loan company

Savings and loan company

Credit union

Charge card

Store

Pawn shop

Illegal lender

Friend or relative

Life insurance policy

Name one large purchase you plan to make in the next year. ______________

Where could you shop for money to make this purchase if you plan to use credit? ______________________________

____

____

____

____

UNIT V: BORROWING
V-5. Reading Contracts

OBJECTIVES:

- To define contract terms
- To recognize the common clauses of a contract
- To apply contract terms to actual situations
- To evaluate common forms and terms of contracts in actual contracts

VOCABULARY: Contract Conditional sales contract Chattel mortgage Lend-lease or bailment lease Mutual assent Consideration Competent parties Legality Default Repossess Deficiency judgment

How many times have you signed your name to a document--papers while you were in the service, marriage license, other official documents, your children's report cards, receipts for merchandise, applications for employment, paychecks? Many, many times, and in all likelihood, you do it as a matter of routine.

But--have you also formed the habit of reading everything to which you sign your name before you sign? This should be particularly true of contracts. A good contract will protect you as well as the other party. A bad contract can cause you no end of trouble.

Do you know what should be included in a contract? Use transparency [see p. 210]. Do you know the meaning of the terms frequently used in contracts? These are some of the things we will talk about today.

In order to understand contracts there are some words one needs to know.

Contract--A legally binding agreement between two or more persons. It provides specified terms of payment and other conditions for the sale of certain items. It may be either oral or written.

Conditional sales contract--A sales contract which allows the seller to keep the title to the goods until the final payment is made. The seller usually has the right to declare the remaining payments due if you miss any payment. You are then liable (responsible for paying) for the cost of repossession and resale of the goods. You are also liable for the balance due in case the resale of the goods does not produce enough money to pay off the debt.

Chattel mortgage--You get the title to the goods immediately following the purchase. You then mortgage this title to the seller, who keeps this mortgage until the final payment is made. In addition to mortgaging the title of newly purchased goods to the seller, you must sign an agreement that you will pay the amount due. The seller is entitled to repossess and resell the

the goods if you do not complete payment of the debt. The seller may go to court and gain possession of and sell other property belonging to you if necessary to complete the payment for the purchase.

Lend-lease or bailment lease--This is a form of installment buying in which you rent the goods for a period of time. You receive the title to the goods when the rental payments have reached the purchase price (plus carrying charges) of the goods.

Ask students to explain each of these terms in their own words.

Read the following cases and let class decide which type contract is used in each.

Mr. and Mrs. William Scott have just purchased a new car. They will not get the title to the car until they have made their last payment. What type of contract did they sign?

Joe Brown has the title to his car, but he still owes money on it. What type of contract did he sign?

Bob Green has a new lawn mower. He told his friend Jim White that he is really only leasing it, but if he decides to buy the lawn mower, it will be his after he has leased it long enough to pay for it. Which type of contract did Bob Green sign?

To be legally binding, a contract must contain the following things: [Use transparency, see p. 211]

Mutual assent--All parties involved must be in complete agreement on all terms of the contract.

Mr. and Mrs. Harold Burk purchased a new washing machine on the installment plan and signed a conditional sales contract. On delivery of the machine as promised, they discovered, much to their dismay, that it did not fit into the space where their old washer had been kept. Since the dealer had lived up to all conditions agreeded to in the contract, Mr. and Mrs. Burk were forced to accept the washing machine they had purchased. They could not void (change or do away with) the legally binding agreement. What was the reason the Burks had to keep the washing machine that didn't fit? (Mutual assent)

Consideration--Something of value must pass between the parties to a contract in order to make it binding. Simply speaking, each party must give up something to get something. This is known as consideration. It may be anything of value, including promises or performed acts.

Jim Johnson promised to build new cabinets in Tom Thompson's kitchen if Tom would pay him $50 immediately. Tom paid Jim the $50. Tom can hold Jim to his promise because he has given consideration in the form of $50, an object of value. What is this called? (Consideration)

In exchange for Addison Autos' promise to sell and deliver a car to John Jenkins for $500, Jenkins promises to pay $50 a month for 10 months. The consideration here was a promise. What is this called? (Consideration)

A cabinet maker friend of yours promises to give you a bookcase and then does not do it. This is not a contract since you did not have to give anything in return. Thus, you cannot force your friend to give you the bookcase as he promised. Why couldn't you force the man to give the bookcase? (There was no consideration involved.)

Competent parties--Persons entering into a contract must be competent; that is, they must be able to understand the terms of the contract. The person must also be over 21 in most states.

John Lloyd, a 17-year-old school boy, visited a used car lot and contracted to buy a used car for $50 a month over a year's period of time. The state in which John resided required that a person had to be at least 21 years of age in order to be legally capable of entering into a contract. John was unable to meet his payments after the fourth month, so the dealer sued him for the balance due him. The court refused to accept the dealer's claim because the contract was invalid. How old does a person have to be in most states to enter into a contract? (21) What term is used to describe persons who may enter into a contract? (Competent parties)

Legality--A contract must be made for a lawful purpose. Illegal agreements cannot be enforced by a court of law.

Jim bet Howard $10 that the Midland High School team would beat Lubbock High in Saturday's football game. Jim lost the bet but refused to pay. Howard could take no legal action because the law enforces only legalized gambling contracts, such as bets made at race tracks. Why couldn't Howard force Jim to pay? (Not a legal contract)

Know what you are agreeing to do before you sign a contract. [Use transparency, see p. 212, of the parts of the contract.]

CONDITIONAL SALES CONTRACT
"The Buyer agrees to pay the total balance and further agrees that until such payment has been made that the Seller shall retain title to and right of possession of said merchandise."

To what conditions has the buyer agreed? (To pay the total balance; to let the seller keep the title until the final payment is made)

CONDITIONAL SALES CONTRACT
"until the full amount is paid...."
"...and the Buyer will not transfer, sell or remove the property from his residence or encumber it without the written consent of the Seller..."

Under this contract, what legal obligations does the buyer have while he is making payments, in case that:

- -he moves? (Get written permission from the seller to move what he purchased.)
- -he wants to give the merchandise away? (Get written permission from the seller.)
- -he wishes to re-sell the merchandise? (Get written permission from the seller.)

> CONDITIONAL SALES CONTRACT
> "...and the Buyer will keep the merchandise in good condition and repair...and will assume all responsibility for loss or damage to said merchandise."

While payments are being made under this contract, who is responsible if the merchandise is:

- -damaged? (Buyer)
- -lost? (Buyer)
- -in poor condition? (Buyer)

Bill Jones bought a TV set on credit. His five-year-old son, Billy and his eight-year-old son, Joe, were pitching a baseball in the house one rainy day and Joe accidentally pitched the ball through the glass on the TV. If the contract Mr. Jones signed contained this clause, who is responsible for repairing the TV set? (Mr. Jones)

> CONDITIONAL SALES CONTRACT
> "...and in event of default in any payment or payments by the Buyer, the Seller may at his option declare the entire balance due, repossess the merchandise or affirm the sale and hold the Buyer liable for the unpaid balance..."

Default means that the buyer cannot make his payments as he promised. Repossess means the seller can take back the merchandise from the buyer.

Furthermore, in addition to losing the product and the payments, the buyer could also be held responsible for the deficient amount. This is called a deficiency judgment. This happens when the repossessed goods do not sell for as much as the debtor still owes. To make up this difference, the court could order the original buyer to pay the difference.

Victor and Maria Garza bought a new dinette set from Brown's Appliance Store. They still lacked four payments when Victor broke his leg and couldn't work for a month. They missed two payments. What could Brown's Appliance Store do? (Declare the entire balance due or repossess the dinette set)

> CONDITIONAL SALES CONTRACT
> "...Buyer agrees to pay costs incurred by the Seller in enforcing any provision of this contract, in the collection of payments, or in the sale of the repossessed merchandise..."

The buyer is agreeing to pay any expenses involved in enforcing this contract. This could be very costly.

> Larry Parsons failed to make the payments on the refigerator he had bought. The store has gotten a deficiency judgment against him from the court. Who will pay the court costs and the cost of the truck which came to repossess the refrigerator? (Larry)

> CONDITIONAL SALES CONTRACT
> "...the entire contract between the Seller and the Buyer is contained on both sides of this agreement..."

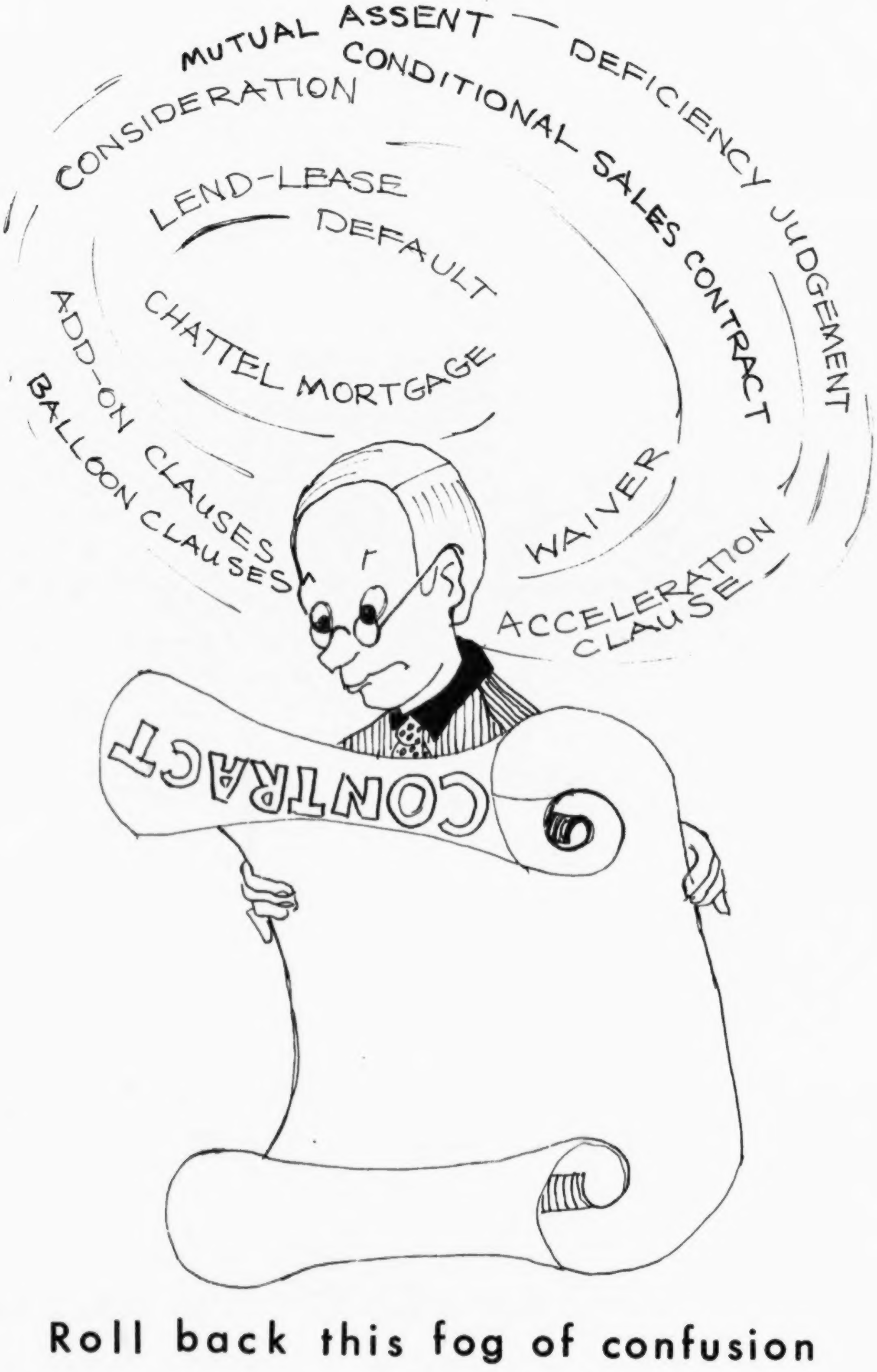
All terms of the contract must be in writing. Any verbal promise which is not written into the contract at the time of the sale is not binding legally.

> Walter Jordon bought some pots and pans for his wife from a door-to-door salesman for much less than he would expect to pay for so many. The salesman promised Walter that the pots and pans would last 30 years. He said acid couldn't hurt them, nor could extremes of hot and cold. Now two months later the handles are coming off, several are badly warped, and one has turned black on the inside. The promises the salesman made were not in the conditional sales contract that Walter signed. Is there anything Walter can do to make the salesman live up to his promises? (He might contact the Better Business Bureau, but since the promises are not in the contract, little can be done.)

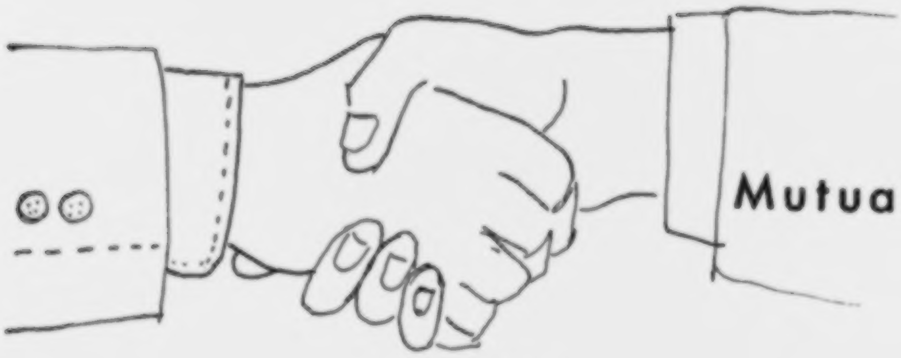
There are many variations of the installment Conditional Sales Contract. Not all contracts have all of the features we have discussed. Check different contracts and compare. Sign only those contracts with whose terms you can agree.

APPLICATION: Show several sample sales contracts [use transparency, see p. 213, and others you make from contracts you can obtain] and point out some of the things discussed.

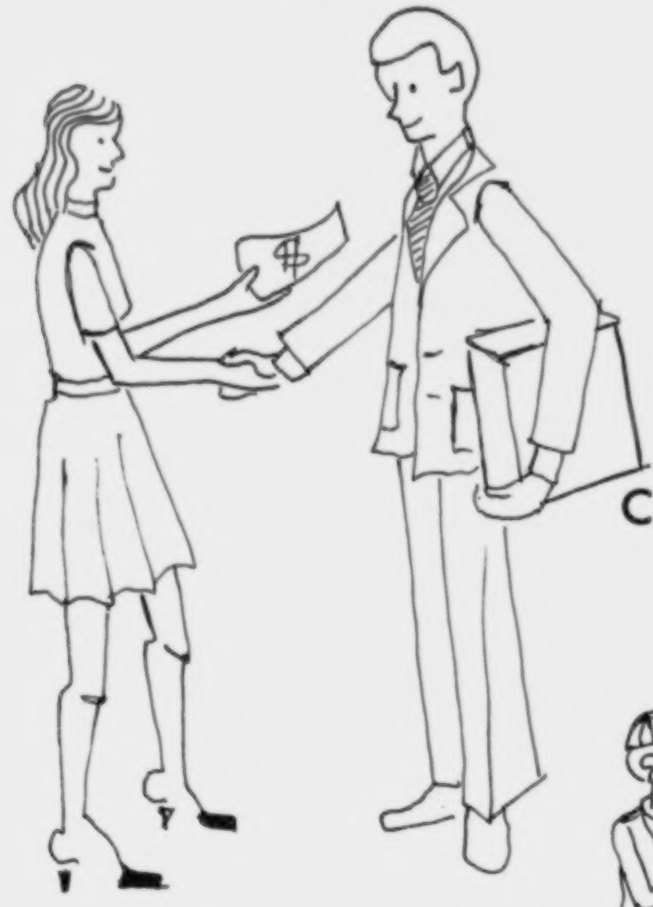
KEY IDEA: Understanding contracts and contract terms contributes to more responsible consumership.


MUTUAL ASSENT — DEFICIENCY JUDGEMENT
CONSIDERATION
CONDITIONAL SALES CONTRACT
LEND-LEASE
DEFAULT
CHATTEL MORTGAGE
ADD-ON CLAUSES
BALLOON CLAUSES
WAIVER
ACCELERATION CLAUSE
CONTRACT

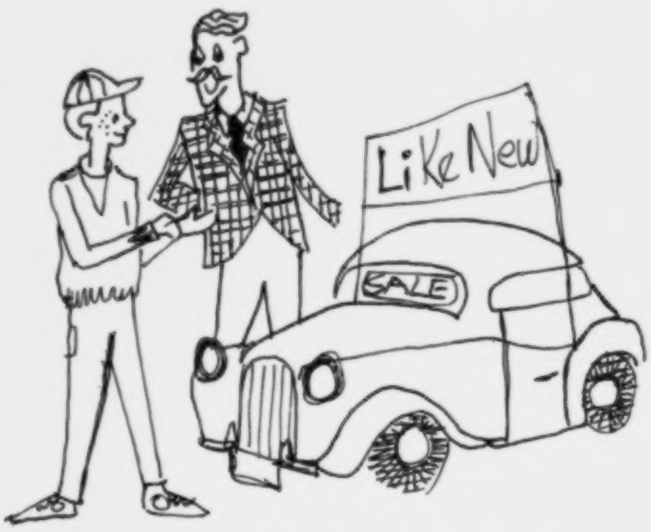
Roll back this fog of confusion



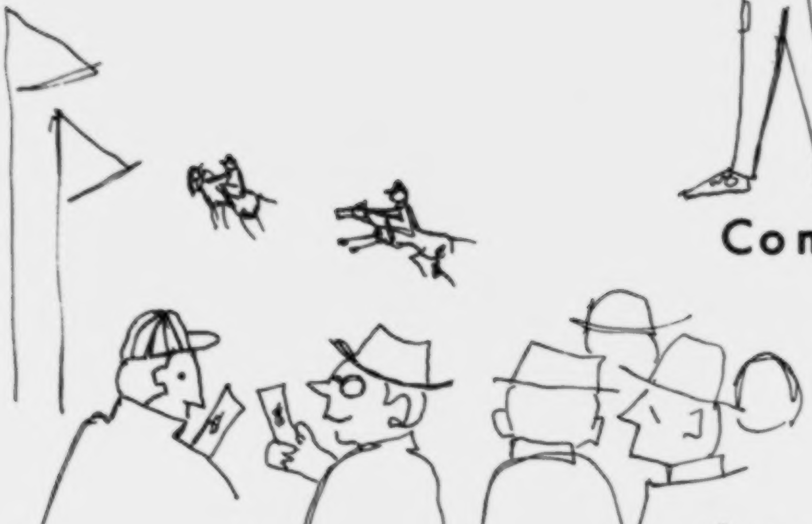
Mutual Assent



Consideration


Like New
SALE

Competent Parties



Legality

PARTS OF A CONTRACT

CONDITIONAL SALES CONTRACT

"The Buyer agrees to pay the total balance and further agrees that until such payment has been made that the Seller shall retain title to and right of possession of said merchandise."

CONDITIONAL SALES CONTRACT

"until the full amount is paid...."
"...and the Buyer will not transfer, sell or remove the property from his residence or encumber it without the written consent of the Seller..."

CONDITIONAL SALES CONTRACT

"...and the Buyer will keep the merchandise in good condition and repair...and will assume all responsibility for loss or damage to said merchandise."

CONDITIONAL SALES CONTRACT

"...and in event of default in any payment or payments by the Buyer, the Seller may at his option declare the entire balance due, repossess the merchandise or affirm the sale and hold the Buyer liable for the unpaid balance..."

CONDITIONAL SALES CONTRACT

"...Buyer agrees to pay costs incurred by the Seller in enforcing any provision of this contract, in the collection of payments, or in the sale of the repossessed merchandise..."

CONDITIONAL SALES CONTRACT

"...the entire contract between the Seller and the Buyer is contained on both sides of this agreement..."

CONDITIONAL SALES CONTRACT

Date_________________,19_____

To________________________
(Seller)

____
(Street)

____
(City) (State)

Buyer's Name______________________
Residence
Address__________________________

____
(City) (State)

I (meaning the undersigned buyer or buyers, jointly and severally) hereby buy from you the following goods:

Article	Model No.	Serial No.

Use This Schedule if Monthly Payments Are Unequal

$____on____19___ $____on____19___

$____on____19___ $____on____19___

$____on____19___ $____on____19___

$____on____19___ $____on____19___

Cash price	$_____
Sales tax	$_____
Credit service charge	$_____
Total purchase price	$_____
Down payment	
(a) Cash $____	
(b) Allowance for trade-in $____	$_____
Balance	$_____

which is payable in installments of $______ on the _____ day of each ______, commencing on ________________, 19____.

Title to goods purchased under this contract is retained by you until payment of full purchase price. I agree to keep the goods safe and free from all other liens and at the above address unless you consent in writing to their removal.

The full balance shall become due on default, together with a 15% attorney's fee if then placed with an attorney for collection. In case of default, you shall also have the right to retake the goods wherever located, hold and dispose of them and collect expenses, and I shall have the right to redeem the goods or require their sale at public auction, all as provided by the law of the State of Texas.

This is our entire agreement, subject to any written guarantee or service contract duly delivered by you, and cannot be changed orally. If I shall be given written notice that you have assigned this contract, you shall continue responsible for all of your obligations, but your assignee's rights shall be independent of my claims against you.

THIS IS A CONDITIONAL SALES CONTRACT

Accepted:

Seller's
Signature:________________________
By_____________Title_____________

Buyer's
Signature:_____________________________

I have received an executed copy of this contract. No other extension of credit exists, or is to be made, in connection with this purchase.

____
(Buyer's Signature)

UNIT V: BORROWING
V-6. Should I Sign?

OBJECTIVES:

To list provisions that make contracts more binding and determine the penalty imposed on delinquent debtors
To explain what the borrower promises to do if he signs a contract containing a given clause
To determine from the information given whether a contract should be signed

VOCABULARY: Acceleration clause   Add-on clause   Balloon clause
Waiver

Sometimes contracts contain clauses or provisions that make the contract more binding and may even determine the penalty imposed on delinquent debtors. Use transparency [see p. 218] of the parts of Conditional Sales Contracts which follow:

> CONDITIONAL SALES CONTRACT
> "...and in event of default by the Buyer, the Seller may declare the entire unpaid balance due in full..."

This clause in a contract is called the acceleration clause. It means that if the buyer cannot make a payment, it is possible that all remaining payments are due at once. If the buyer could not afford to make one small payment, he probably cannot afford to pay the large balance due. The goods could be repossessed and the buyer could lose the payments he has already made. Avoid any contract which has an acceleration clause.

If Mike and Sandra Tucker miss a payment on their new couch and chair when the baby comes, what might the finance company do if their contract contains an acceleration clause? (Demand that they pay the entire balance or repossess the furniture)

> CONDITIONAL SALES CONTRACT
> "...Seller may at his option add subsequent purchases to this contract...and all terms of this contract shall apply equally to additional goods purchased..."

This clause means that additional purchases may be added to this same contract. This is called the "add-on clause." Instead of issuing a new contract for new purchases, the seller adds them to the old contract. In this case, merchandise already paid for under the existing contract becomes security for the new purchase. Beware! The add-on clause means that you don't own any of the merchandise until all is paid for. For example, suppose the buyer purchased a television set, and over a period of months paid for it. Then he purchased a typewriter on the same contract, and was unable to make the last two payments.

What would happen? Under this add-on feature, if the buyer defaults in the payment of the typewriter, he could lose both the typewriter and the television set! All items could be repossessed! It is to the advantage of the buyer to request a new contract for each new purchase.

The balloon clause, where the final payment in a contract is much larger than the other payments, should also be avoided. It is much easier for the buyer to meet payments that are smaller and the same size. What if the buyer could not afford the last large payment when due? He could lose the product and the payments, or he might need to refinance his loan, which is costly.

> Jessie Parker can just barely afford the $25 payments each month on the washing machine he is buying for his wife. The Parkers have no savings. What may happen to them if the balloon clause in their contract calls for a final payment of $75?

CONDITIONAL SALES CONTRACT

"...Acceptance of overdue payments will not serve as a waiver of any provision of the agreement."

"Waiver" means to give up; cancel; eliminate. This clause means that if you are unable to make your payments when due, but later have the money to pay them, it makes no difference. Repossession and/or deficiency judgment could occur in the meantime.

> Jose Rodriguez was laid off work for a week and was unable to make the payment on the rug he was buying for the living room of his apartment. Although he will be able to make the payment in two weeks, what might happen before then if his contract contains this clause?

CONDITIONAL SALES CONTRACT

"The statute of limitations as to any payments due under the contract shall be extended for four years beyond the time provided by the laws of this state."

This clause is also a waiver. This means that you have given up some of your legal rights with a clause such as this. For example, the laws in your state may say that no legal obligation of indebtedness may go beyond four years. However, if you sign a contract with this waiver, you are extending your obligation from four to eight years!

Of course, not all contracts have such clauses. How can you know if such clauses are included in the contract you are about to sign? There's only one way--and that is to read every word of a contract before you sign it and be sure you understand what it says.

Before signing a credit contract be sure all blanks are filled in and that figures are accurate. According to United States law, the following information must be stated in contracts for the purchase of goods or services on time. Give student handout [see p. 219] and discuss.

-date on which finance charges begin
-description of purchase
-cash price of the product
-down payment or trade-in allowance, if any
-amount left to be paid
-list of charges included in the finance charge
-total amount to be financed
-finance charges expressed as an annual percentage rate of interest
-number of payments, amount of each payment, and dates scheduled payments are due
-charges to be made in event of late payments
-description of any security held by the creditor

Also look for:

-insurance cost, if any
-what happens if you miss a payment
-what happens if you cannot pay
-anything you or the salesman promise to do
-your "rights"

a. When you get title for the goods
b. What you must do if you want to sell or give away the goods
c. Your obligations when and if the seller repossesses the goods
d. Whether you receive a refund in credit charges if you complete payment for the goods in a shorter time than the contract requires

Before you sign--be sure all figures are entered correctly and that there are no blank spaces to be filled in later by the dealer or lender. Make sure all promises are in writing. Likewise, have terms to which you do not agree removed. Demand explanation of any terms you do not understand. Be sure that all copies of the contract are exactly alike. If the contract is for a major transaction, such as buying or selling a house, be sure to have a lawyer read it before signing. If you don't understand what it says, don't sign. Have someone you trust read the contract and explain it! Take it home to read if necessary. Don't let anyone rush you. Take your time. You may be sorry if you rush!

If you sign a contract with blank spaces, what might the seller do when he fills them in? (He might raise the amounts you agreed to or fill in clauses to which you would not agree.)

> Marie Matthews bought a used car on credit. The dealer assured her that it was in top condition and that should anything go wrong within the next 60 days, he would fix it free of charge. These promises, however, were not written into the contract. A month later, the carburetor went out. The dealer would not fix it. Can Marie force him to keep his promise? (No, the promises were not written into the contract.)

APPLICATION: Divide students into groups and give them cases [see pp. 221-222] and sample contracts [see pp. 223-330] which include some of the conditions discussed in this lesson. Ask them to explain conditions of the contracts.

KEY IDEA: Understanding of contracts and contract terms contributes to more responsible consumership.

PROVISIONS OF CONDITIONAL SALES CONTRACT

CONDITIONAL SALES CONTRACT

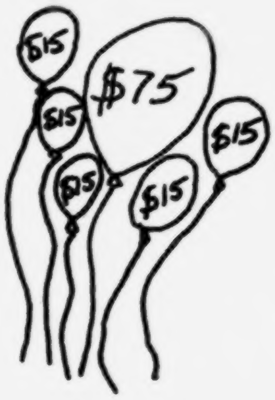
"...and in event of default by the Buyer, the Seller may declare the entire unpaid balance due in full..."

CONDITIONAL SALES CONTRACT

"...Seller may at his option add subsequent purchases to this contract...and all terms of this contract shall apply equally to additional goods purchased..."

CONDITIONAL SALES CONTRACT

5 payments of $15 each and a final payment of $75.



CONDITIONAL SALES CONTRACT

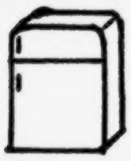
"...Acceptance of overdue payments will not serve as a waiver of any provision of the agreement."

CONDITIONAL SALES CONTRACT

"The statute of limitations as to any payments due under the contract shall be extended for four years beyond the time provided by the laws of this state."

BEFORE YOU SIGN--CHECK

- date on which finance charges begin



- description of purchase

- cash price of the product

- down payment or trade-in allowance, if any

$350

- amount left to be paid

CHARGES
1. $5.00
2. $17.50
3. $2.00

- list of charges, including finance charge

$1100

- total amount to be financed

18%

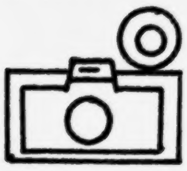
- finance charges expressed as an annual percentage rate of interest

5 payments of $25 each due 1st of each month

- number of payments, amount of each payment, and dates scheduled payments are due

Penalty $5

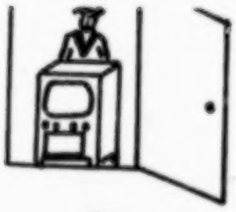
- charges to be made in event of late payments



- description of any security held by the creditor

Credit life insurance $10

- insurance cost, if any



- what happens if you miss a payment or cannot pay

- anything you or the salesman promise to do

- your "rights"
  - a. When you get title for the goods
  - b. What you must do if you want to sell or give away the goods
  - c. Your obligations when and if the seller repossesses the goods
  - d. Whether you receive a refund in credit charges if you complete payment for the goods in a shorter time than the contract requires

PROMISES, PROMISES

Setting: Billy and Jan Blackwell are buying a new rug for their living room. They have decided on the one they want and are talking about financing it. The rug has a cash price of $97.65.

Billy: Is this rug guaranteed?

Salesman: Oh, yes, it has a lifetime guarantee.

Jan: If we found something unsatisfactory about it, could we return it?

Salesman: Yes, just bring it back to the store and we will refund all you have paid plus interest and a special bonus or give you a new rug and a bonus for your trouble.

Billy: Although we have never missed a payment on anything we bought on credit, emergencies sometimes happen. If we have an emergency, could you arrange smaller payments or delay payments for awhile?

Salesman: Of course we could. "A friend in need is a friend indeed." That's our motto! Why, we could carry you for 3 or 4 months at no extra cost to you.

Jan: That sounds great! Let's sign the contract, Billy.

(Study the contract [see p. 223] given to the Blackwells and decide whether or not they should sign it.)

WHAT'S IN A FIGURE?

Setting: Jerry and Karen Armstrong have found a sofa that they think was made just for them. They are discussing the cost with the salesman after deciding to finance the purchase at the store.

Salesman: Now folks, this little sofa can be yours for the low price of just $159.95. You've selected the buy of a lifetime and I know you're just going to love this sofa.

Jerry: How much will the payments be?

Salesman: Payments are a mere $9.95 a month. Won't it be easy to pay for your sofa while you have it to enjoy at the same time?

Karen: It sounds good, but how much interest will we pay?

Salesman: You will pay a mere 3% a month on the declining balance. And in a year the sofa will be paid for.

Jerry: It sounds too good to be true. We'd better sign the contract before you change your mind.

(Read the contract [see p. 225] given to the Armstrongs and decide whether they should sign it.)

A DEALER, A DOLLAR, IF THERE'S A BLANK--HOLLAR!

Setting: Donald and Debra Edwards have agreed to purchase a used car from Wheeler Used Cars. The contract should be ready for them to sign today.

Donald: Hello, Mr. Wheeler. We came by to see if the contract on financing our car is ready.

Mr. Wheeler: Well, no! I'm afraid it isn't. You see, my secretary's sister is having a baby, so she's not here today and she didn't finish your contract yesterday.

Debra: Gee, that's too bad! We sure were hoping we could take the car home today. We wanted to show it to Donald's folks this weekend.

Mr. Wheeler: I am sorry and I know you're eager to show everybody what a fine buy you've made. Let's see what we can do. (He gets out a contract.)

Donald: We sure do appreciate this, Mr. Wheeler.

Mr. Wheeler: Let's see. We agreed on $1495 didn't we? And I was going to check with my secretary to see what we could give you on your old car. I'll have to leave that one. You wanted to pay for the car in 24 months. Right? (Looks frantically in drawers.) Oh, Miss Richards must have locked my payment schedule in her desk. I'll have to wait to fill in the amount of the payments. Now if you folks will just sign right here you can have the car to show to your family and friends this weekend.

Debra: I'm dying to show it to June and Jerry! They'll be green with envy!

(Study the contract [see p. 227] and decide whether the Edwards should sign it.)

READ THAT CONTRACT!

Here is a copy of the contract [see p. 229] given to Mr. and Mrs. Domingo Cortez. Read it carefully so that should they ask you whether you think they should sign it, you could help them decide.

CONDITIONAL SALES CONTRACT

Date March 5, 1971 Buyer's Name Billy Blackwell

To Friends Dept. Store
Seller

Residence Address 201 42nd Street
Street

Seller

Your Town, Texas
City State

I (the undersigned) hereby buy from you (the seller), subject to the terms and conditions herinafter set forth, the following goods:

Article	Model No.	Serial No.
9 X 12 rug	4016	——

1. Cash Price. $97.65
2. Service Charges . . . .$ 5.00
3. Delivery and Installation Charges . . . .$ 8.00
4. Total Purchase Price. $110.65
5. Down Payment (a+b)
   (a) Cash down payment. . .$ 10.65
   (b) Trade in allowance . .$ ——
   $ 10.65
6. Unpaid Balance of Purchase Price (4-5). $100.00
7. Finance Charge. . . . .$ 9.75
8. Time Balance (6+7). . . . .$ 109.75
9. Deferred Payment Price (4+7). $120.40
10. Annual percentage Rate. 18%

I agree to pay the time balance for the goods and services which are described above. The time balance on this contract, the computations of which are shown above, is payable in monthly installments to the seller of $ 9.14 each for 11 months and a final installment of $ 9.10, on the 20th day of each month, beginning April 20, 1971, and continuing until fully paid.

Title to the goods included in this contract shall be retained by you until the time balance is fully paid. I agree not to dispose of the goods, remove them from their original location, or encumber them without your written consent, and to protect you against all loss or damage to the goods from the time they are delivered until I have fully paid for them. If I fail to comply with any provision of this contract, you may, at your option, declare the unpaid time balance on this contract immediately due and payable. In such event, I agree to pay such balance upon demand or you may, in the manner provided by law, retake the goods and pursue any further remedy provided by law. If more than one person signs this contract, the obligation shall be joint and several.

This is our entire agreement, subject to any written guarantee or service contract duly delivered by you and cannot be changed orally.

NOTICE TO BUYER

Do not sign this contract before you read it or if it contains blank spaces. You are entitled to a copy of the contract you sign. Under the law, you have a right to pay off in advance the full amount due and under certain conditions may obtain a partial refund of the finance charge. Keep this contract to protect your legal rights.

I acknowledge receipt of a copy of this contract:

Signature________________________________ Date__________, 19___

Address____

By____
Husband or Wife or Authorized Agent

EVERYTHING STORES

By_____________________________ Location__________________

CONDITIONAL SALES CONTRACT

Date March 10, 1971 Buyer's Name Jerry and Karen Armstrong

To Fine's Furniture (Seller) Residence Address 1610 Western Ave. (Street)

(Seller) Somewhere, (City) Texas (State)

I (the undersigned) hereby buy from you (the seller), subject to the terms and conditions herinafter set forth, the following goods:

Article	Model No.	Serial No.
Sofa	110678	——

1.	Cash Price	$159.95
2.	Service Charges	$——
3.	Delivery and Installation Charges	$ 5.00
4.	Total Purchase Price	$16495
5.	Down Payment (a+b) (a) Cash down payment. . .$ —— (b) Trade in allowance . .$25.00	$ 25.00
6.	Unpaid Balance of Purchase Price (4-5)	$139.95
7.	Finance Charge	$ 27.83
8.	Time Balance (6+7)	$167.78
9.	Deferred Payment Price (4+7)	$192.78
10.	Annual percentage Rate	36%

I agree to pay the time balance for the goods and services which are described above. The time balance on this contract, the computations of which are shown above, is payable in monthly installments to the seller of $ 9.95 each for 11 months and a final installment of $ 58.33, on the 15th day of each month, beginning April 15, 1971, and continuing until fully paid.

Title to the goods included in this contract shall be retained by you until the time balance is fully paid. I agree not to dispose of the goods, remove them from their original location, or encumber them without your written consent, and to protect you against all loss or damage to the goods from the time they are delivered until I have fully paid for them. If I fail to comply with any provision of this contract, you may, at your option, declare the unpaid time balance on this contract immediately due and payable. In such event, I agree to pay such balance upon demand or you may, in the manner provided by law, retake the goods and pursue any further remedy provided by law. If more than one person signs this contract, the obligation shall be joint and several.

This is our entire agreement, subject to any written guarantee or service contract duly delivered by you and cannot be changed orally.

NOTICE TO BUYER

Do not sign this contract before you read it or if it contains blank spaces. You are entitled to a copy of the contract you sign. Under the law, you have a right to pay off in advance the full amount due and under certain conditions may obtain a partial refund of the finance charge. Keep this contract to protect your legal rights.

I acknowledge receipt of a copy of this contract:

Signature________________________________ Date__________, 19___

Address____

By____
Husband or Wife or Authorized Agent

EVERYTHING STORES

By________________________________ Location__________________

CONDITIONAL SALES CONTRACT

Date March 8, 1971 Buyer's Name Donald Edwards

To Wheeler Used Cars
Seller

Residence Address 1410 Maple Ave.
Street

Seller

Anywhere, Texas
City State

I (the undersigned) hereby buy from you (the seller), subject to the terms and conditions herinafter set forth, the following goods:

Article	Model No.	Serial No.
1967 4-door sedan	H14678	416R109K8

1.	Cash Price	$1495.00
2.	Service Charges	$23.00
3.	Delivery and Installation Charges	$—
4.	Total Purchase Price	$1518.00
5.	Down Payment (a+b) (a) Cash down payment. . .$ — (b) Trade in allowance . .$	$
6.	Unpaid Balance of Purchase Price (4-5)	$
7.	Finance Charge	$
8.	Time Balance (6+7)	$
9.	Deferred Payment Price (4+7)	$
10.	Annual percentage Rate	

I agree to pay the time balance for the goods and services which are described above. The time balance on this contract, the computations of which are shown above, is payable in monthly installments to the seller of $______ each for 23 months and a final installment of $______, on the 1st day of each month, beginning April 1, 1971, and continuing until fully paid.

Title to the goods included in this contract shall be retained by you until the time balance is fully paid. I agree not to dispose of the goods, remove them from their original location, or encumber them without your written consent, and to protect you against all loss or damage to the goods from the time they are delivered until I have fully paid for them. If I fail to comply with any provision of this contract, you may, at your option, declare the unpaid time balance on this contract immediately due and payable. In such event, I agree to pay such balance upon demand or you may, in the manner provided by law, retake the goods and pursue any further remedy provided by law. If more than one person signs this contract, the obligation shall be joint and several.

This is our entire agreement, subject to any written guarantee or service contract duly delivered by you and cannot be changed orally.

NOTICE TO BUYER

Do not sign this contract before you read it or if it contains blank spaces. You are entitled to a copy of the contract you sign. Under the law, you have a right to pay off in advance the full amount due and under certain conditions may obtain a partial refund of the finance charge. Keep this contract to protect your legal rights.

I acknowledge receipt of a copy of this contract:

Signature________________________________ Date_________, 19___

Address____

By____
Husband or Wife or Authorized Agent

EVERYTHING STORES

By_________________________________ Location_________________

CONDITIONAL SALES CONTRACT

Date March 3, 19 71 Buyer's Name Mr. + Mrs Domingo Cortez

To Friendly Appliances Residence Address 601 Guadalupe Ave.
Seller Street

Seller Nowhere, Texas
City State

I (the undersigned) hereby buy from you (the seller), subject to the terms and conditions herinafter set forth, the following goods:

Article	Model No.	Serial No.
TV	16790	4168HG510

1.	Cash Price		$225.00
2.	Service Charges		$——
3.	Delivery and Installation Charges		$——
4.	Total Purchase Price		$225.00
5.	Down Payment (a+b)		
	(a) Cash down payment	$20.00	
	(b) Trade in allowance	$——	$20.00
6.	Unpaid Balance of Purchase Price (4-5)		$205.00
7.	Finance Charge		$45.00
8.	Time Balance (6+7)		$250.00
9.	Deferred Payment Price (4+7)		$270.00
10.	Annual percentage Rate		23%

I agree to pay the time balance for the goods and services which are described above. The time balance on this contract, the computations of which are shown above, is payable in weekly installments to the seller of $5.00 each for 49 weeks and a final installment of $5.00, on Thursday of each week, beginning April 10, 19 71, and continuing until fully paid.

Title to the goods included in this contract shall be retained by you until the time balance is fully paid. I agree not to dispose of the goods, remove them from their original location, or encumber them without your written consent, and to protect you against all loss or damage to the goods from the time they are delivered until I have fully paid for them. If I fail to comply with any provision of this contract, you may, at your option, declare the unpaid time balance on this contract immediately due and payable. In such event, I agree to pay such balance upon demand or you may, in the manner provided by law, retake the goods and pursue any further remedy provided by law. I also agree to pay reasonable attorneys' fees and collection costs. Acceptance of overdue payments will not serve as a waiver of any provision of this agreement. In addition to the statute of limitations as to any payments due under this contract shall be extended for four years beyond the time provided by the laws of this state. If more than one person signs this contract, the obligation shall be joint and several.

This is our entire agreement, subject to any written guarantee or service contract duly delivered by you and cannot be changed orally.

NOTICE TO BUYER

Do not sign this contract before you read it or if it contains blank spaces. You are entitled to a copy of the contract you sign. Under the law, you have a right to pay off in advance the full amount due and under certain conditions may obtain a partial refund of the finance charge. Keep this contract to protect your legal rights.

I acknowledge receipt of a copy of this contract:

Signature______________________________ Date_________, 19___

Address____

By____
Husband or Wife or Authorized Agent

EVERYTHING STORES

By_____________________________ Location_________________

UNIT VI: SAVINGS
VI-1. Family Savings

OBJECTIVES:

To identify reasons that people save
To recognize the different types of saving
To determine factors to consider in selecting a savings plan
To describe examples of how savings help families to reach goals
To describe the importance of support and cooperation of family members to saving
To predict the value of self-discipline in saving

VOCABULARY: Savings goals   Economic crises   Bank account
Savings account   Credit union   Savings and loan association

How do you feel about saving money? Most families save money for one or more reasons. These reasons for saving may be called the family's savings goals. What are some of your family's savings goals?

Why do people try or need to save money? Use flannel board [see p. 234] to illustrate some of these reasons. Encourage class to suggest others. Some major savings goals include:

To provide for own needs--for birth of a new child , for education or occupational training, for old age.

To reach their goals--purchase of home appliances like a refrigerator, stove, or washer; purchase of furniture, a car, or a house.

To prevent or provide for emergencies--illness, accident, or disaster; unexpexted expenses, such as car repairs, appliance repairs or replacement; reduced income.

Are you always successful in saving as much money as you would like to save? Many families have the problem of never reaching their savings goals. What are some reasons that families cannot always save money? Use visual [see p. 235].

Emergencies
Unexpected expenses
More money is spent than was planned for other things
Family members did not cooperate in saving
Something was bought that was not planned for or that was not needed
Savings goals were too high to provide for purchase of necessities
Lack of self-discipline

Use the stories [see pp. 236-237] to show major reasons for families failing to meet their savings goals. Ask students to pick out the reason or reasons in each story for the family not saving.

Where do people keep the money they save? (Envelope, teapot, sugar bowl, tin can, mattress, piggy bank, sock, bank, savings and loan company, credit union, etc.) Use transparency [see p. 162] to illustrate. Which of these are the safest places to keep money? Which places pay interest on savings, so they grow? [Also see discussion of savings accounts on p. 158]

Where a family keeps its savings depends on its reasons for saving. If savings are only for a short time and involve only a small amount of money, such as saving to go to a movie or to buy a new dress, it may be safe to keep it at home. If savings are for a specific purpose or for small emergencies and you will want to have the money readily available, a bank account, a savings account, a credit union, or a savings and loan association would be a good place to keep it. The family can get its money quickly and easily from these organizations. Money that is to be saved for a long time, like for retirement, might be kept where it is not quite so easily accessible, so that there is less temptation to use it for other reasons, and where it earns the most interest. Examples include government bonds, life insurance, investments, or time deposits.

Read the following examples. Let class members decide where the savings in each situation might be kept.

> Mary is a high school senior. She is saving her allowance money for a new pair of shoes. She will have enough money in four weeks.
>
> The Jacksons are saving for a down payment on a house.
>
> Jonathan McGuire is saving money for his retirement in about ten years.
>
> The Browns want to keep a small savings account for emergencies.
>
> The Stones are saving money to buy Christmas presents.

In general, there are three things to consider before deciding where to keep your savings:

(1) How safe will my money be?
(2) Can I get my money quickly and easily when I need it?
(3) How much interest will my savings earn?

Give students handout on choosing a savings plan [see p. 238].

APPLICATION: List one reason you would like to save money and make a plan for saving. Start saving to reach your goal even if you can only save a small amount. Make a habit of paying yourself first.

KEY IDEAS: Saving helps individuals and families to provide for their own needs.

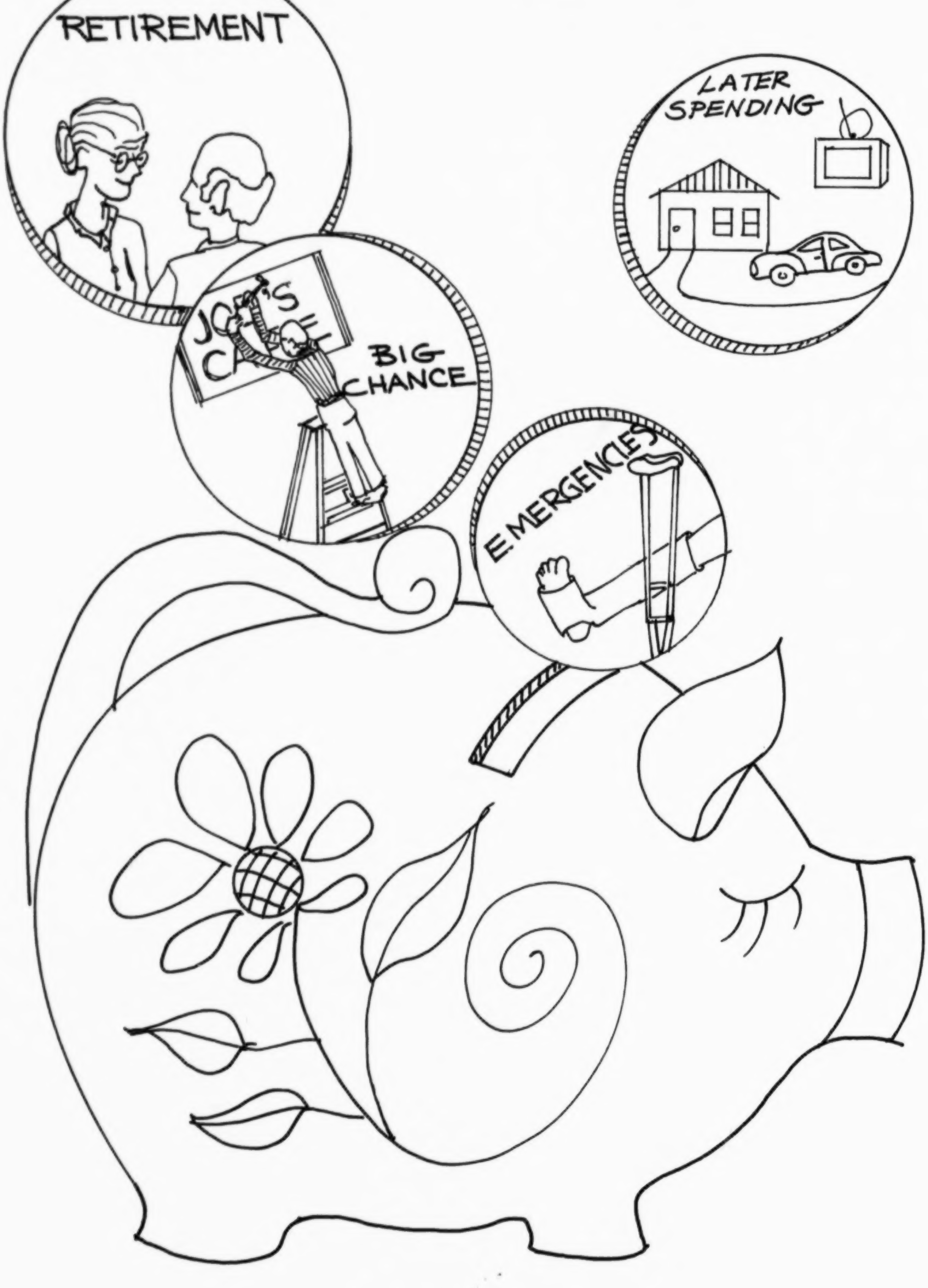
The habit of regularly saving a portion of the family income helps to provide money which will be available should an emergency occur.

A savings plan is more successful when it has the full support and cooperation of each family member.

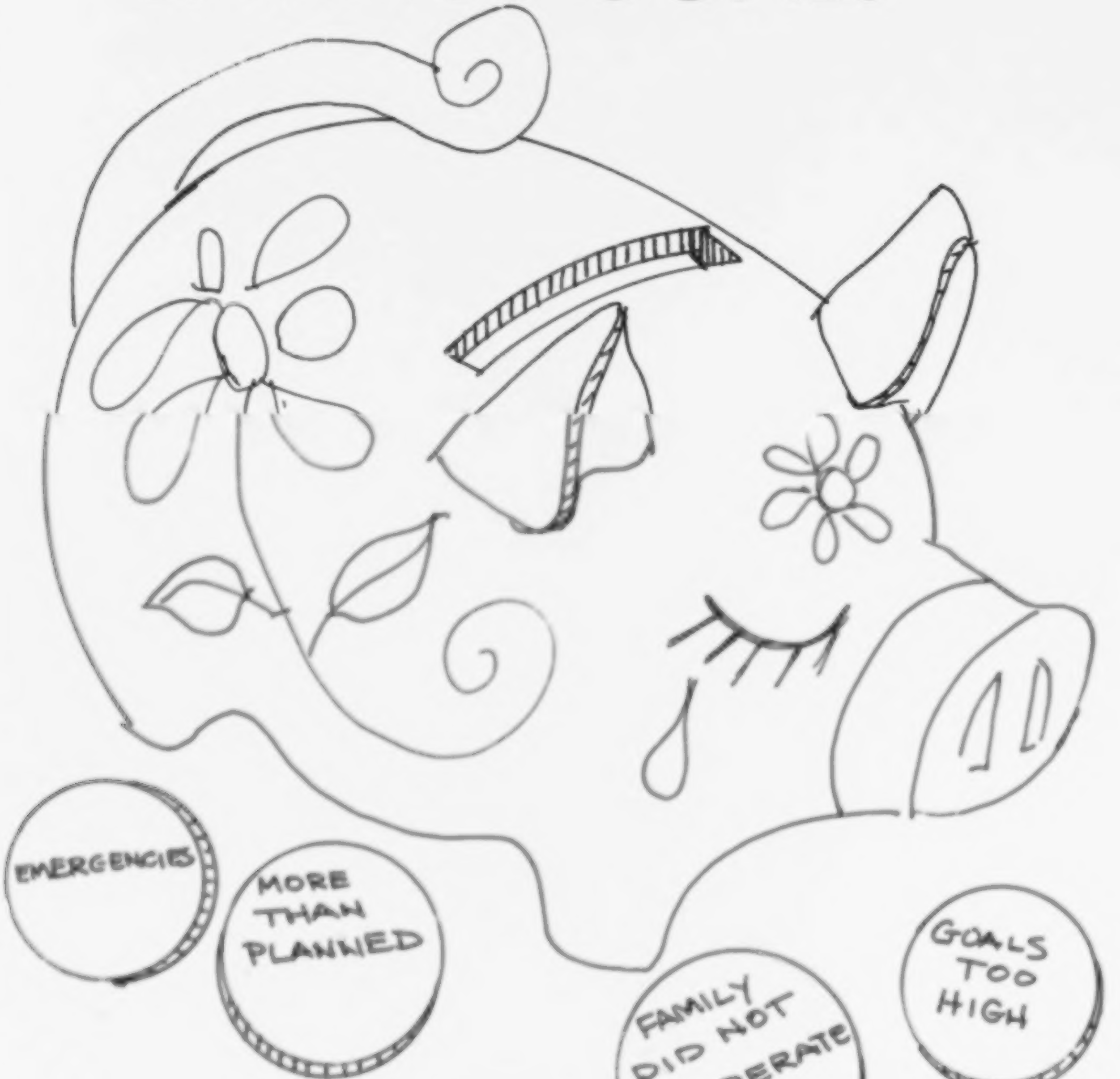
Human characteristics such as self-discipline may be more important to the success of a savings plan than the amount of the income.

The habit of saving is reinforced by the ability to see savings grow and aids in accomplishing family goals.

REASONS FOR SAVING:


RETIREMENT
LATER SPENDING
JOE'S CAFE
BIG CHANCE
EMERGENCIES

REASONS FAMILIES DO NOT REACH SAVINGS GOALS


EMERGENCIES
MORE THAN PLANNED
GOALS TOO HIGH
FAMILY DID NOT COOPERATE
UNEXPECT-ED EXPENSES
LACK OF SELF-DISCIPLINE
SOMETHING NOT PLANNED FOR

REASONS FAMILIES FAIL TO REACH SAVINGS GOALS

The Johnson Family

The Johnsons have been wanting a TV for a long time. Most of their neighbors have TV sets. Sometimes Joan Johnson watches TV with her neighbor. Her husband, Jerry, likes to watch ball games with his friend down the street. Joan often has to go from house to house to find her two sons, who also like to watch TV. The Johnsons all agree that it would be fun to have their own TV.

They why don't the Johnsons buy a TV? They could buy one on credit, but they still have payments on the car and on some furniture they bought when they rented the house they live in. So the Johnsons really can't afford any more credit payments.

They have a very small savings account which hasn't grown at all since they moved last year. However, the Johnsons' spending plan shows that they should have $25 left at the end of each month. The Johnsons feel that they have allowed plenty of money for the things they need each month, but they never seem to have any money left over.

Mr. and Mrs. Johnson both smoke, and though they both say they spend too much money for cigarettes, they never get around to cutting down. The boys frequently ask for more money for soft drinks, candy, and toys. Mrs. Johnson makes daily trips to the grocery store for extra things she has forgotten to buy. Mr. Johnson admits that buying beer for the fellows once or twice a week is expensive, but he has yet to cut down.

The Johnsons all agree that they want a TV, but no one is willing to give up anything so the family can save money to buy one. Before they can save, everyone must decide to cooperate in cutting down on expenses and extras and to work toward saving money. Each member of the family must discipline himself to cut down on unnecessary items.

What two things are necessary before the Johnsons can meet their savings goals? What would you do if you were the Johnsons?

Support of the plan and cooperation of all family members
Self-discipline

The Lopez Family

Manuel and Maria Lopez have tried hard to save money for a newer car, but something always seems to happen. The Lopezes had $100 saved when their son, Louis, fell off the monkey bars at school and broke his arm. Fifty dollars had been saved when the school nurse discovered that Estel needed glasses. Down went the savings to $25.

Why haven't the Lopezes reached their savings goals?

Emergencies
Unexpected expenses

What could the Lopezes do to prepare for emergencies before they happen?

The Smith Family

Samuel Smith and his family would like to take a summer vacation to the mountains next summer. In order to reach their goal they figure they must save $25 each month. They've figured their expenses and feel that this is a reasonable amount to save. This month, however, the Smiths had to spend the $25 on groceries the last week of the month. It seems Mrs. Smith bought a dress on sale which hadn't been part of the month's plans--and Mrs. Smith admits she really didn't need the dress. Judy had to borrow lunch money after she spent her allowance one week on a new record album. It seems, too, that Mr. Smith badly underestimated the cost of repairing the family car. Instead of saving money for their summer vacation, the Smiths are now in debt.

Why didn't the Smiths reach their savings goals?

More money was spent than was planned for other things.
Something was bought that was not planned for or that was not needed.

How might the Smiths improve next month so they can still reach their savings goals?

The Barr Family

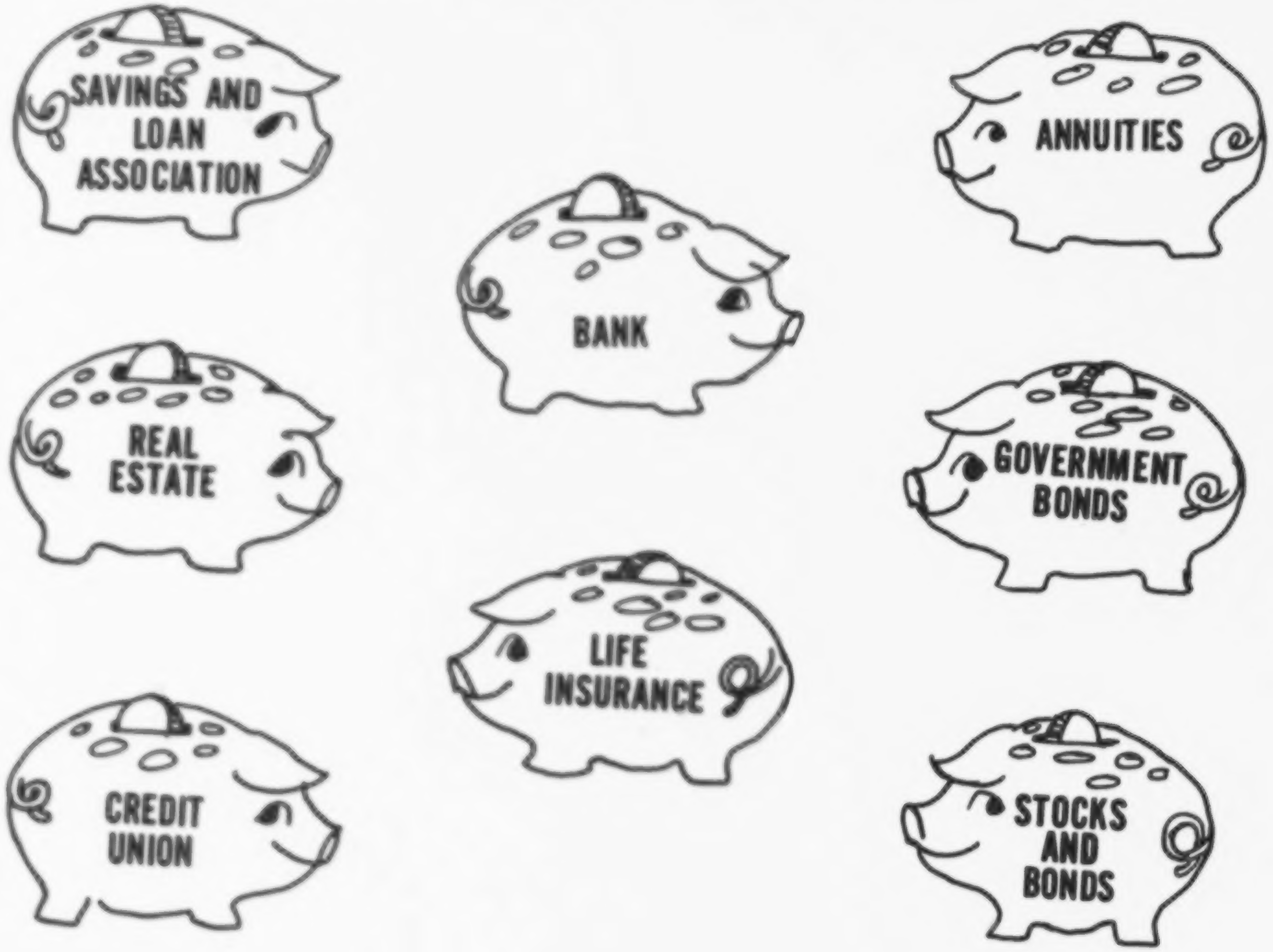
Clifford and Melonie Barr had big ambitions for their savings. Clifford makes $6000 a year and the Barrs have five young children under eight years old. Still, the Barrs want very much to buy a home of their own. So they decided to save $1200 for a down payment in one year. This meant the Barrs would have to live on less than $400 a month. Their rent is $60 and their groceries cost $40 or more each week or $160 monthly. Then, of course, there are other household expenses, clothing, transportation, insurance, utilities, school expenses, recreation, and on and on. The first two months, things went fairly well. The Barrs cut out recreation and purchase of all but the most essential clothing. Mr. Barr began fussing about lights being left on and the kids using too much water. Mrs. Barr nagged at her husband about smoking and buying sweets for the children. The kids decided that it might not be much fun to have their own house after all--if everybody was going to be mad all the time.

What appears to be wrong with the Barrs' savings goals?

Their goals are too high to provide for the purchase of necessities.

Can you suggest a more realistic plan for the Barrs?

CHOOSE YOUR SAVINGS PLAN CAREFULLY!!!!!


SAVINGS AND LOAN ASSOCIATION
ANNUITIES
BANK
REAL ESTATE
GOVERNMENT BONDS
LIFE INSURANCE
CREDIT UNION
STOCKS AND BONDS

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UNIT VI: SAVING

VI-2. Saving Through Thrift and Skills

OBJECTIVES:

- To relate intelligent use and care of merchandise to frequency of replacement
- To identify care of property as a means of saving
- To explain ways renovation may be used to save money
- To analyze items in own home for possible ways of renovating
- To suggest maintenance problems in own home which could be solved by utilizing or developing family members' skills
- To repair or renovate items in own home

VOCABULARY: Thrift   Skills

We have talked about saving money in a piggy bank or savings account. Another way to save money is by being thrifty. Thrift means careful use of resources to get the most possible from them. The person who is thrifty does his best to get his money's worth from the things he owns, just as he does with his money. He is saving his resources. *Name some resources your family has.*

One can save resources in a number of ways. Clothing lasts longer with proper care. Food is not wasted when leftovers are used instead of being thrown away. Equipment lasts longer when it is kept in good repair. This means that these things will not have to be replaced as often. This saves money--money which may be used for other things. What are some other ways resources may be saved?

Thrift, then, means not wasting resources; it means taking care of resources and keeping them in good repair; it means saving what you already have.

In general, we will save money if we obey the following "Rules of Thrift" in using our property:

(1) Read the label or instructions.
(2) Follow directions for care and use.
(3) Use as intended.
(4) Keep in good condition.
(5) Keep clean.
(6) Store properly.

Give examples of ways in which following each of these rules could help the family save money in relation to food, clothing, furniture, appliances, household equipment, or other particular interests of the group.

We mentioned that keeping things we own in good condition helps us save money. However, repairs frequently are expensive. One way to keep things repaired and save on repair costs, too, is to learn to make simple repairs ourselves. By using our skills we can save money.

Plumbing repairs are particularly costly. Most families can learn to repair a dripping faucet or the flush tank to the commode, unclog a stopped drain, or adjust the pilot on a gas stove.

Minor carpentry repairs are not difficult to learn either. Families often need to drive a nail or a screw without splitting the wood, adjust a door that sticks, or loosen a tight window. Simple electrical repairs include replacing a fuse, repairing a plug, and repairing an electric cord.

Painting is another job that's not too difficult. Window shades, frayed rugs, and holes in screens may be repaired without the aid of a repairman.

Another way families frequently save money is by repairing and remaking clothing. Repairs might involve sewing on buttons, sewing up rips, and taking up or letting out hems. New garments may need to be altered to improve fit. An old garment may be recut to make another one.

Furniture also may be renovated so that new furniture is not needed. This might involve reupholstering, refinishing the wood, or repainting. It might mean making an old piece into something else.

Can you think of other ways your family might save money by making its own repairs.

Skills are needed to make most of these repairs. By learning new skills a family can save money. Skills which can save families money include: painting, sewing, preparation and preservation of food, plumbing, car repairs, appliance repairs, furniture renovation, carpentry. What are some others?

In addition, your family may be able to trade the skills it has for other skills which help save money. For example, Mrs. Smith, who is skilled at making curtains, might make curtains for her neighbor. In return the neighbor's husband, whose skill is repairing appliances, may fix the Smiths' ailing washing machine. Both families have used their skills to save money.

APPLICATION: Class members might agree on projects in which they can learn to save money through care and maintenance of property, making repairs, or developing skills. Invite a speaker to demonstrate some simple home repairs to the class. Another class meeting might be devoted to using some of these skills. Students might make a trip to the library to find books on making simple repairs. Perhaps a file of magazine articles and pamphlets on making repairs could be started. Many useful pamphlets are available free from the county agent's office and some government bulletins are available at very low cost. A display of what is available might encourage participation in collecting and filing materials.

KEY IDEAS: Intelligent use and care of merchandise purchased will keep it in good repair longer, reducing frequency of replacement, and thereby contributing to savings.
Caring for property has an effect similar to that of an increased income.
Repair or renovation of items on hand for another purpose may represent significant savings.
The development and utilization of skills in maintaining property may represent substantial savings over a period of time.

UNIT VII: INSURING
VII-1. What Is Insurance?

OBJECTIVES:

- To identify ways in which insurance may be a means of sharing risks
- To relate insurance to reduction of fear and anxiety over possible emergencies
- To analyze insurance needs
- To define common insurance terms
- To list points to consider in buying insurance

VOCABULARY: Hazards Risks Insurance Emergency Policy
Endorsements Package policy Insured Insurer
Premium

What are some of the big emergencies which can occur in a family? [Use visual, see p. 245] The possibility of these emergencies occurring may be called hazards. Every family is constantly faced with the possibility of one or more of these hazards creating a family emergency.

If families had to worry constantly about all the hazards their families faced, they would do little but worry. Most families are secure, however, in knowing that should an emergency arise, their needs will be provided for. What have these families done to secure their future against emergencies? They have purchased insurance against one or more of the hazards they face. Insurance is like an umbrella. An umbrella won't keep the rain from coming, but it will keep you from getting wet. An insurance policy won't keep a disaster from occurring, but it will keep the results from being so bad financially. Do you think families who have insurance when an emergency occurs feel different than families with no insurance? Why?

What is insurance? It is a means through which a number of families share risks. By sharing risks involving money with other people who face similar hazards, one decreases fears and anxieties. Well planned insurance protection can mean peace of mind. It can assure replacement for economic loss of life, property, or family income. It can provide an emergency fund on which the family may draw. It can help provide for long-term needs through savings and investments.

But how does a family know what kinds of insurance and how much insurance it needs? A number of things will help you decide how much insurance you family needs. [Use visual, see p. 246] A family's insurance needs will depend on--

- Number of dependents
- Stage in family life cycle
- Age of breadwinner
  - May directly affect the family income
- Family earning power (now and later)
  - Related to education, occupation, ability, drive, family connections, luck, age, and geographical residence.

Occupational hazards
  Risks are higher for unskilled laborers, persons working out-of-doors even in bad weather, and those who operate heavy machinery.

What are some of the common types of insurance? [Use flannel board, see p. 247]

- Life insurance
- Health insurance
- Social insurance
  - Social Security
  - Medicare
  - Medicaid
- Property insurance
  - Home insurance
  - Personal property insurance
  - Automobile insurance

What are the insurance terms everybody needs to know?

Policy--The written form the insurance company gives to each person who pays for insurance protection. It tells exactly who is insured, for what amount, and exactly what kind of protection has been purchased.
Endorsements--Additional forms which extend, restrict, or clarify the basic policy.
Package policy--A method of combining different types of insurance into one policy.
Insured--Person protected by the policy.
Insurer--Company issuing the policy.
Premium--Amount paid periodically for the insurance protection of a given policy.
Risk--The chance taken by the insurance company that the hazard insured against will actually happen.

APPLICATION: Give each student a slip of paper (half with words and half with definitions). Let them match the word and the definition by checking with the slips held by other students. Token prizes may be given to students as they make the correct match with their slips. If students have difficulty reading, the teacher might give a word or definition orally to each student.

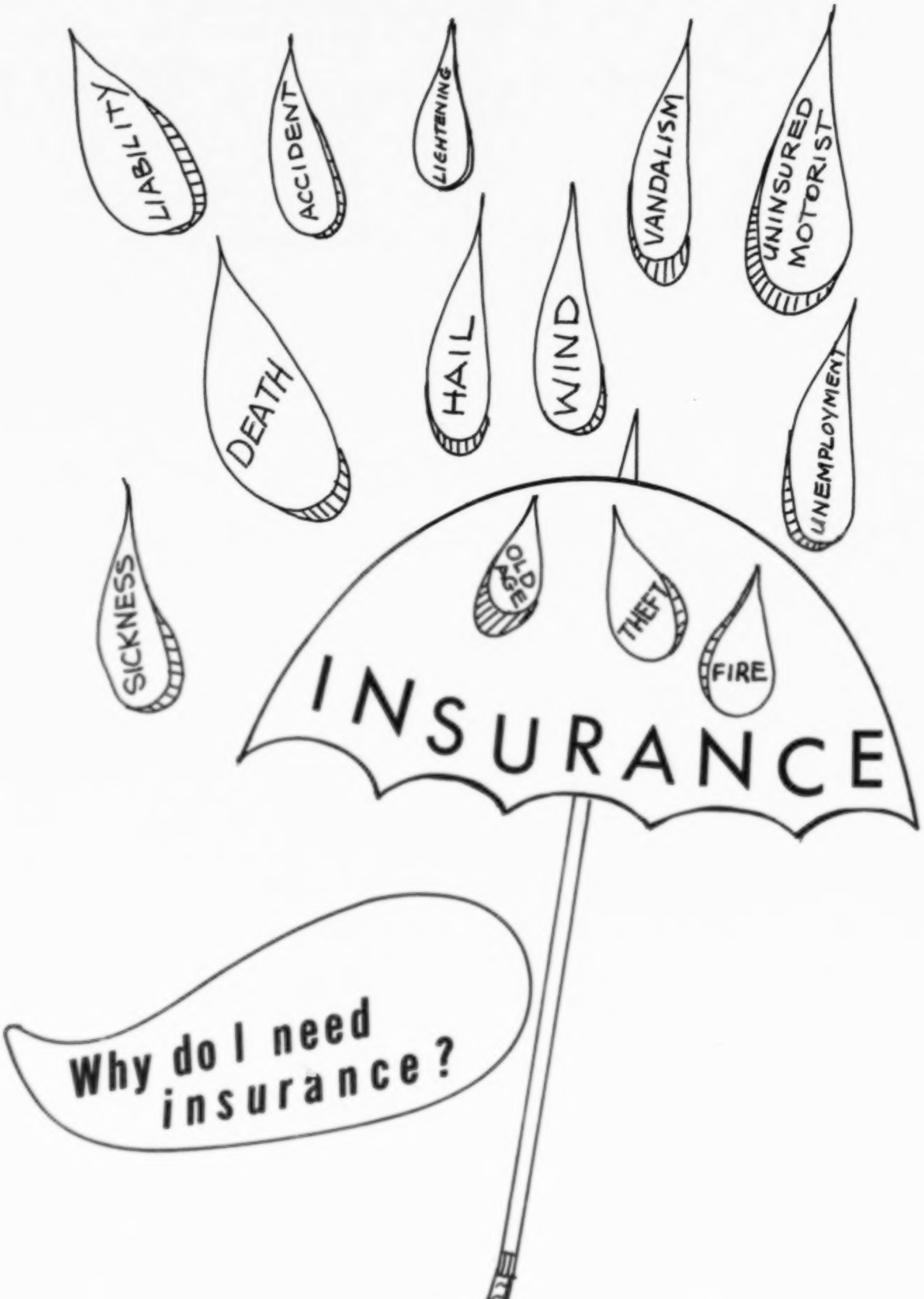
How should you buy insurance?

(1) Be sure to deal with an honest insurance company. Find out if it is licensed to do business in your state. Talk to your friends, your employer, fellow workers.
(2) Do the company and the agent have a good reputation? Are they reliable? Ask around. If the company fails to pay its claims, chances are you will hear about it.
(3) Arrange to pay premiums either annually or semi-annually. You save money that way.

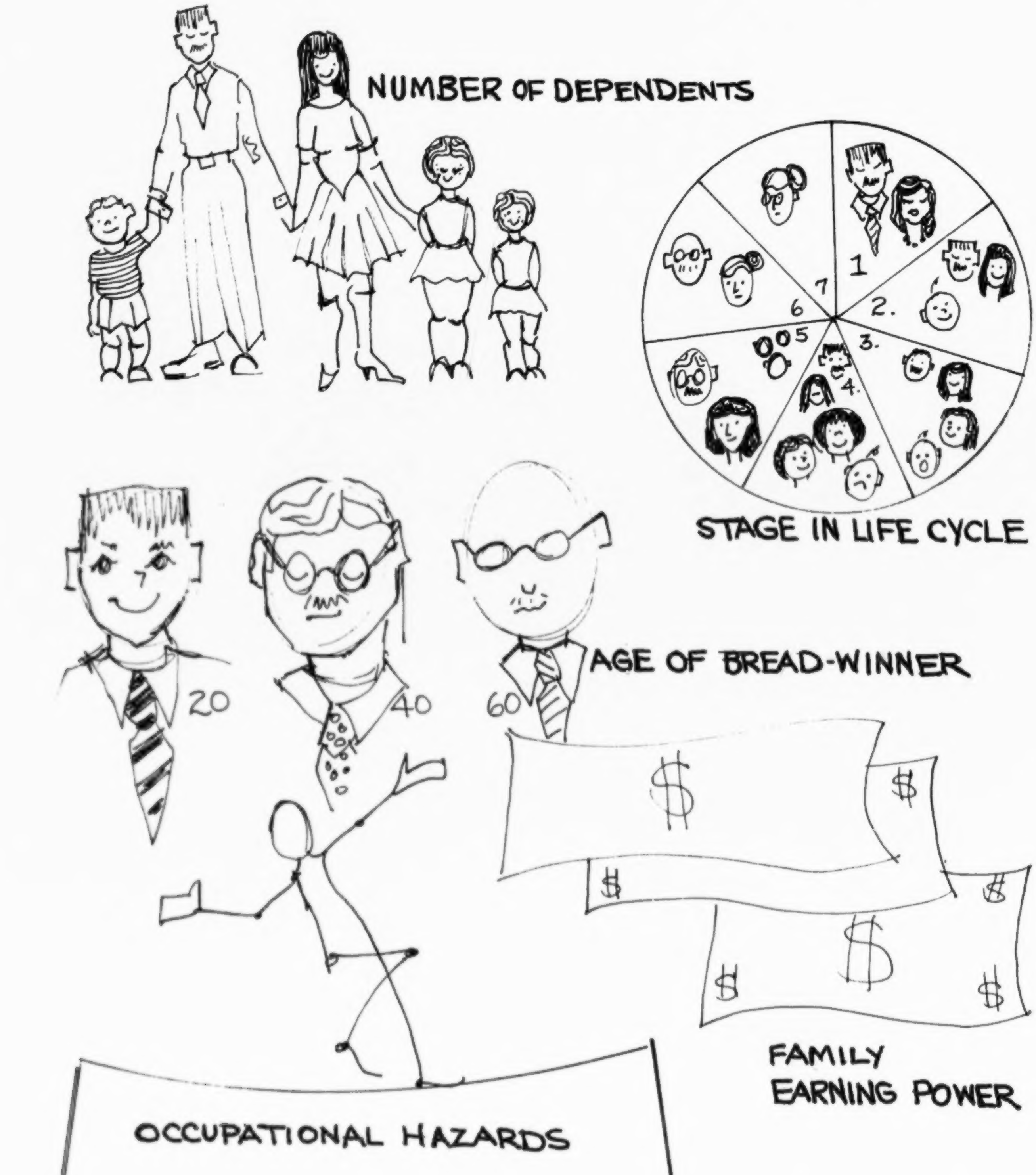
(4) Study very carefully the conditions stated in the policy you are considering. What does it cover? What does it not cover? Make certain that it contains all the protection you want.
(5) Before buying insurance, compare similar policies from a variety of sources.
(6) Don't buy so much insurance that you cannot meet your other needs. Find an agent you trust, and have him help you plan how much insurance to buy. Insure against your greatest and most important risks first.
(7) Each year when it is time to renew your policy, consider whether your needs have changed.
(8) Always report any kind of claim to your agent or company immediately.
(9) Keep your policy in a safe place. Keep a record of your policy in a different place. If your policy is lost or destroyed the company will give you another one, but this takes time.

The information given above might be given to students as a handout.

KEY IDEAS: Families protect their incomes by sharing certain risks through insurance.
Insurance tends to reduce fears and anxieties.
Insurance needs vary from family to family.
Knowing common insurance terms can aid one in purchasing insurance.
A good consumer should know essential points in buying insurance.


LIABILITY
ACCIDENT
LIGHTENING
VANDALISM
UNINSURED MOTORIST
DEATH
HAIL
WIND
UNEMPLOYMENT
SICKNESS
OLD AGE
THEFT
FIRE
INSURANCE
Why do I need insurance?

Factors in Determining YOUR Insurance Needs


NUMBER OF DEPENDENTS
1
2.
3.
4.
5
6
7
STAGE IN LIFE CYCLE
20
40
60
AGE OF BREAD-WINNER
FAMILY EARNING POWER
OCCUPATIONAL HAZARDS

TYPES OF INSURANCE

Life Insurance	
Health Insurance	
Social Insurance	
Social Security	
Medicare	
Medicaid	
Property Insurance	
Home Insurance	
Personal Property Insurance	
Automobile Insurance	

Directions for flannel board:

Place pictures illustrating different types of insurance in the appropriate places. For example--use a picture of a wrecked car for automobile insurance; use a picture of a retired elderly person for social security.

UNIT VII: INSURING
VII-2. Life Insurance

OBJECTIVES:

To determine purposes for life insurance
To list sources of life insurance
To describe basic types of life insurance

VOCABULARY: Life insurance Term Straight life Limited payment
Endowment Renewal provision Convertible provision
Cash or loan value Family income policy Family policy
Mortgage insurance Credit life insurance Group life
insurance Industrial insurance

What is life insurance? Life insurance is a means of providing income for the family if the breadwinner should die. It is also a way of setting aside income during earning years to provide for later needs such as education for children or income for retirement. It may provide money to cover burial expenses.

How can you determine your insurance needs? The best guides in deciding what type and amount of life insurance to buy are your needs and the circumstances in which you live. Most families find the following general rules helpful: Concentrate life insurance on the family wage earners. Use the less expensive types of life insurance. Don't drop one policy to buy another without careful study because your premiums on a new policy will be higher since you are older. When deciding how much insurance to buy consider: your family's needs; other protection available such as Social Security, veteran's benefits, etc.; what amount of insurance you can afford; other types of insurance you already have; and other kinds of savings you will have; as well as the likelihood that your wife might be able to work in event of your death.

What kinds of life insurance can you buy? There are four basic kinds of life insurance policies:

(1) Term
(2) Straight life--also called ordinary or whole life
(3) Limited payment life
(4) Endowment

These kinds of life insurance are sometimes combined, or special features are added to a policy. Use the flannel board [see p. 252] to illustrate the types of insurance.

Term Insurance--Provides low-cost insurance for a limited period of time, usually 1, 10, or 20 years, or to a given age, such as 65 years. If the insured person dies during the time the policy is in force, the company pays the beneficiary the value of the policy. If the insured person does not die while the policy is in force, protection ends unless a new policy is taken out. Term insurance can be purchased with a renewal provision, which means the policy may be continued without another medical examination. The rates go up, however, each time term insurance is renewed because the insured person is older.

Some term insurance may be purchased with a convertible provision. This permits the policy holder to change the policy to another form of life insurance without a medical examination.

Term insurance has no cash or loan value. You cannot borrow money against it or get any money back if you cancel the policy.

Straight or Whole Life Insurance--Provides protection for a lifetime with premium payments at relatively low cost until death. The premium rate--

(1) is higher than the rate on a term insurance policy
(2) is lower than the rate on any other permanent policy
(3) depends on your age at the time you buy your policy
(4) stays the same each year

As premiums are paid, reserves, called cash surrender and loan value are built up. The cash surrender value of the policy is the amount of cash or paid-up insurance you could get at a given time should you decide to cancel the policy. It is based on the number of years you have been paying on the policy. The loan value is the amount stated in the policy which you may borrow from the insurance company against the cash value of your policy. Interest (at the rate indicated in the policy) must be paid on the amount borrowed. Should you die before the loan is repaid, the amount still owed would be subtracted from the value of the policy.

Limited Payment Life Insurance--Provides lifetime protection. Premiums are paid for a limited number of years, 10, 20, or 30 years, or until you reach a certain age, usually 60 or 65 years. Premiums are higher than for straight life because they are paid for a shorter period of time. However, the cash value and loan value grow faster than for straight life insurance because the premiums are higher.

Endowment Policies--Provide life insurance with a high degree of savings. Premiums are paid over a stated period of years or to a certain age. The face value of the policy is paid to the insured person if he is living when the policy matures. Payment may be in a lump sum or in installment payments. If the policyholder dies while receiving installment payments, any amount remaining will be paid to his estate. If the insured person dies before the policy matures, the beneficiary receives the face value of the policy.

Provide students with handout [see p. 253] comparing the types of policies. Discuss this information.

In addition to the basic kinds of life insurance, there are many combinations of them. Examples of combination policies include:

The Family Income Policy--Combines straight life with term insurance. The term insurance part pays the beneficiary a certain amount each month until the end of the specified time if the insured person dies before the term expires. If the policy holder dies during the term stated, his family receives a regular monthly income from the time of his death until the end of the term. The straight life part of the policy pays the face value to beneficiaries on the death of the insured person. Even if the insured person lives beyond the end of the term, the family is still protected by the straight life portion of the policy.

Family Policy--Combines straight life with term insurance. It insures the life of every member of the family. The straight life portion is on the main breadwinner. The term portion is on the wife and children. It can be converted to other insurance when the children are older, regardless of their health or occupation at that time.

Mortgage Insurance--Provides term life insurance to protect the lender and the borrower's family. Should the insured person die before the mortgage is paid off, the insurance will pay part or maybe all of the debt.

Credit Life Insurance--Usually of the term type. The length of the term is the length of the loan being insured. It will pay off the insured person's debts in case he dies before they are repaid.

What are some ways you can buy life insurance?

Group life insurance--usually term insurance which covers members of a group, such as employees of a certain business. No medical examination is required. Usually, the cost is low, and everyone pays the same premium. Sometimes, the employer pays part or all of the premium. Protection may end when the employee leaves the job. Some group life insurance policies can be changed to a permanent type of life insurance within a certain period after an employee leaves the job. This type of insurance is usually less expensive than that purchased through a company.

Insurance from life insurance companies--sold by company agents. Medical examination is usually required. Payment periods may vary from monthly to yearly.

Industrial insurance--may be straight life, limited payment, or endowment policies. Policies are usually small, from $500 to $1000. Premiums are collected weekly or monthly at home or at work by an agent. It is very costly because of extra expense of collection and paperwork.

Fraternal organizations--ordinary life insurance may be offered to members.

Conclude the meeting with a question and answer session, possibly with an insurance agent present to answer questions. He might also help present the material given above. Also ask him to discuss the information companies frequently ask for before issuing a policy.

APPLICATION: Let students volunteer to participate in a role play situation. Four will be insurance salesmen and four clients. Let each salesman represent one of the major types of insurance. He should tell his client about his type of insurance while the client asks questions.

KEY IDEAS:
Life insurance protects against economic loss caused by death or retirement.
Life insurance is a supplement to other resources.
Families should keep an inventory of life insurance policies, and other valuable documents.
Life insurance policies should be kept in a safe place.
Families should review their life insurance program and policies regularly and make adjustments in keeping with changed circumstances and needs.
Life insurance policies vary in protection and savings provided for the money spent.

TYPES OF LIFE INSURANCE

Basic

(1) Term

(2) Straight life

(3) Limited payment life

(4) Endowment

Combination

(1) Family income policy

(2) Family policy

(3) Mortgage insurance

(4) Credit life insurance

MAIN TYPES OF LIFE INSURANCE POLICIES

CHARACTERISTICS	TERM	ORDINARY LIFE	LIMITED-PAYMENT LIFE	ENDOWMENT
Period of premium payment	Given period of time, such as 5, 10, or 20 years.	During the entire life of the insured person.	Stated period of 10, 15, 20, or 30 years, or to age 60 or 65.	Stated period of 10, 15, 20 or 30 years, or to age 60 or 65.
When policy matures	Payment made to beneficiary if insured person dies within the term period. After term expires, coverage ends.	At death of insured person.	At death of insured person.	At death of insured person, or at the end of the period if the insured person is still living.
Advantages	1. Maximum protection at minimum cost for stated period of time. 2. Usually may be converted to life or endowment policy without medical examination.	1. Provides lifetime protection at a constant premium rate. 2. Investment--cash value may be used as income. 3. Insured person may borrow money on the policy.	1. Premiums paid for limited time. 2. Lifetime protection provided. 3. Larger cash and loan values than ordinary life.	1. Pays a definite sum of money at the end of the period. 2. Gives insurance coverage while premiums are being paid.
Suitable for	Persons with limited incomes who need large amount of protection, especially temporary protection.	Persons who have small incomes but need to protect family for a long period of time. Persons who want a policy with a cash and loan value.	Persons whose income is likely to decrease at a certain period and who can afford to save more than the cost of the ordinary life insurance policy.	Persons who want to save for children's educations for future years and still have insurance in the meantime.

UNIT VII: INSURING
VII-3. Health Insurance

OBJECTIVES:

To recognize the value of health insurance
To describe the basic types of health insurance
To explain how the cost of health insurance is determined
To list questions to consider in determining health insurance needs

VOCABULARY: Health insurance   Hospital expense insurance   Surgical expense insurance   Regular medical expense insurance   Major medical expense insurance   Disability income insurance   Deductible clause   Coinsurance feature

What is health insurance? It is protection against hospital and medical expense or against loss of income resulting from sickness or accident.

Each individual and family have different needs for health care protection. A plan for handling health costs is important for everyone. (Use a visual to illustrate the following points.) To set up a health care protection plan that meets your personal and family needs, consider:

(1) The size of your family and the age and sex of family members
(2) Your income and expenses
(3) The cost of medical services in your area
(4) Community and tax-supported health services available to you
(5) Individual health problems in your family

Your plan should include health insurance to protect against major expenses and prolonged illness and a savings fund to cover uninsured expenses.

Five basic forms of health insurance are available: hospital expense insurance, surgical expense insurance, regular medical expense insurance, major medical expense insurance, and disability income insurance.

Use flannel board to show types of insurance as each is discussed. Allow time for questions and discussion following each type of health insurance presented.

1. Hospital expense insurance--pays all or part of the insured person's hospital bills. Policy may limit the amount paid per day for room, board, and routine nursing charges and the number of days payment will be made. Also covers charges for laboratory, medicines, operating room, X-ray, anesthesia, physical therapy, and other services relating to treatment of the patient in the hospital. This is the most widely used kind of health insurance.

2. Surgical expense insurance--pays surgical fees to maximum amounts listed in the policy for various operations. Fees for office calls before and after the operation may be included. Benefits vary with the policy. This is the second most widely used kind of health insurance.

3. Physicians' expense or general medical expense insurance--covers non-surgical treatment by physician. Helps pay the cost of doctor's visits to the home or hospital room or of a patient's visits to the doctor's office. Maximums may be set in the policy for the amount payable per visit and number of calls allowed for each sickness or illness. Available only with other basic coverages, not as a separate policy.

4. Major medical expense insurance--provides protection against the costs of serious or prolonged accident or illness. Usually, the insured person must pay a certain amount before the insurance company pays anything. This is called a deductible feature. It is similar to the deductible clause in auto insurance. The company also pays only a percentage of the total amount, frequently 80 per cent. The insured person pays the other 20 per cent. This is called a coinsurance feature. The maximum amount of benefit stated for each policy may range from $5,000 to $20,000.

5. Loss of income insurance--pays cash benefits to the insured person if he becomes unable to work because of illness or injury. The amount of income and the number of payments are given in the policy. A waiting period of one week or more is usually required before premiums begin.

Where can I get health insurance? Health insurance may be obtained from insurance companies, hospital and medical service plans, independent group plans, and government programs.

What factors determine the cost of health insurance? Use visual [see p. 257] to illustrate.

(1) Age of each insured person
(2) Type of coverage
(3) Extent of coverage
(4) Number of people covered by the policy
(5) Waiting period, if any
(6) Deductible clause, if any
(7) Coinsurance clause, if any

How can you decide what health insurance protection you need? Prepare handouts of this information for class to use in discussion. Ask an insurance agent to discuss these points with the group and answer any questions they might have. Consider these questions:

(1) What losses are covered by Workman's Compensation, employer-provided benefits, union or fraternal organization benefits, life insurance disability waiver of premium, life insurance disability income, Social Security disability, and other benefits?

(2) What are the important losses to insure against?
(3) What types and amounts of coverage do you want?
(4) What members of the family are covered?
(5) What are the maximum benefits in terms of amount and length of time?
(6) How do these benefits compare with health care costs in your community?
(7) What waiting periods, exclusions, and limitations are in the policy?
(8) What deductibles and percentage of coinsurance are involved?
(9) Who has the right of renewal of the health insurance--the policyholder or the insurance company?

APPLICATION: Call your local hospital to learn costs involved in an appendectomy, childbirth, and severe cuts from an accident. Ask about charges for doctor, surgeon, room, X-ray, medication, etc. Obtain various health insurance policies for students to examine. Have students check to see what portion of the costs of various health problems would be covered by each policy. How long would your family have to save to cover this cost?

KEY IDEAS: Health insurance protects against economic loss caused by illness or accident.
Measuring family needs for health insurance begins with an inventory of present protection.
The cost of health insurance can be determined only on an individual basis.
An insurance agent can help a family determine its health insurance needs.

FACTORS WHICH DETERMINE THE COST

OF HEALTH INSURANCE

20-29 X 30-39 40-49 50-59 60-69 (1) Age	X Hospital expense X Surgical expense Physician's expense Major medical Loss of income (2) Type of coverage	Includes the following coverage: Room and board (3) Extent of Coverage
X Father X Mother X John X Mary X Susan (4) Number of Persons Covered	In effect after a waiting period of 30 days (5) Waiting Period	$50 deductible (6) Deductible Clause
	Will pay 80 per cent of total costs (7) Coinsurance clause	

UNIT VII: INSURING
VII-4. Social Insurance

OBJECTIVES:

To recognize purposes for social security
To list benefits provided by social security
To describe provisions of Medicare and Medicaid
To determine when Social Security Office should be contacted

VOCABULARY: Social insurance Social Security Survivors benefits
Disability benefits Retirement benefits Quarters
Medicare Medicaid

What is social insurance? Old-age, survivors and disability insurance, commonly known as Social Security, is a social insurance plan to which workers and employers in covered occupations must contribute. This program is administered by the United States Government.

What occupations are covered? Almost all types, including those in which people are self-employed, as well as those on active duty in military service.

What benefits does social security provide? [Use visual, see p. 261]

1. Survivors' benefits. When a person covered by Social Security dies before he reaches retirement age his survivors (wife and children under eighteen) will receive a monthly income from social security. Benefits are also available for full-time students until they are 21, a widow sixty or older, mentally or physically disabled children over eighteen, and divorcees under certain circumstances.
2. Disability benefits. Social Security provides a monthly income for a person who is so disabled that he cannot work and whose prospects for returning to work in the near future are not promising.
3. Retirement benefits. Retired workers may receive a monthly income beginning at age sixty for women and age sixty-two for men. In addition, Social Security provides hospital and medical benefits for persons age sixty-five and older.

How is Social Security paid? Employers and employees contribute equal amounts based on the employees salary wages. Show how Social Security contributions are deducted from one's paycheck.

Who qualifies for Social Security benefits? Survivor's benefits are payable to the beneficiaries of any covered worker, regardless of how brief a time he was so insured. To qualify for retirement and health benefits, one must have been covered a certain number of quarters. A quarter is a period of three months; there are four quarters in a year. A person must be covered six (one and a half years) to forty quarters (ten years) depending on his age to qualify for retirements when he is sixty or sixty-two years old.

What is Medicare? It is health insurance for people 65 and older. Two kinds of health insurance are provided: Hospital Insurance--A basic hospital plan, which helps to pay bills for hospital and nursing care for persons 65 and over. For those who are eligible, this insurance is automatic and is financed by Social Security taxes. Supplementary Medical Insurance--A voluntary supplementary (doctor's) plan, which helps to pay doctor bills and other medical expenses not covered by the plan. To receive this insurance, you must pay a small monthly fee which is matched by the Federal government. Persons over 65 must continue to pay the premiums to remain eligible for benefits.

What does the hospital insurance pay? It pays hospitalization. In the hospital, the insurance will pay most costs of each "spell of illness" of the patient, for up to 90 days. The patient pays the first $40 of hospital costs and Medicare pays the rest up to 60 days. From 61 days to 90 days Medicare pays all but $10 per day, for each "spell of illness." If the patient must be hospitalized longer than 90 days he may draw on a lifetime reserve of 60 days, during which Medicare pays all but $20 per day of covered hospital expenses.

Other kinds of health care provide partial payment of expenses.

1. Extended care in a hospital or other approved "extended care facility" up to 100 days, after 3 or more days of hospitalization. The patient pays $5.00 per day for each day after 20 days.
2. Home health care by nurses or therapists (but not doctors) in the patient's home for up to 100 visits within one year, after 3 or more days of hospitalization. The plan pays all costs which qualify.

What does supplementary medical insurance pay? It pays 80% of the costs and charges which are covered after the first $50 during each calendar year. Services covered are:

Doctor bills--at home or in the doctor's office, a clinic, or a hospital.
Home health care--up to 100 visits at home, without having been hospitalized beforehand. This is in addition to the 100 visits allowed in the basic hospital insurance.
Other services--diagnostic tests, drugs which cannot be self-administered, dental surgery; rental of medical equipment, and certain ambulance services when medically necessary.

How can I be sure my Social Security records are accurate? Get a "Wage Statement Request" from your local Social Security office to mail to the Social Security Administration. Check the report with the W-2 forms you have received from your employer.

When should you contact your Social Security office? Prepare a handout of this information:

To obtain a Social Security card

To replace a lost card
To effect a change of name
To claim benefits
If there is a change in Social Security laws
If you become disabled before age 65
If a working person in your household dies
At retirement age (old age benefits are payable as early as age 62) to find out what benefits you will get when you retire
When you reach age 72, even if you have not retired

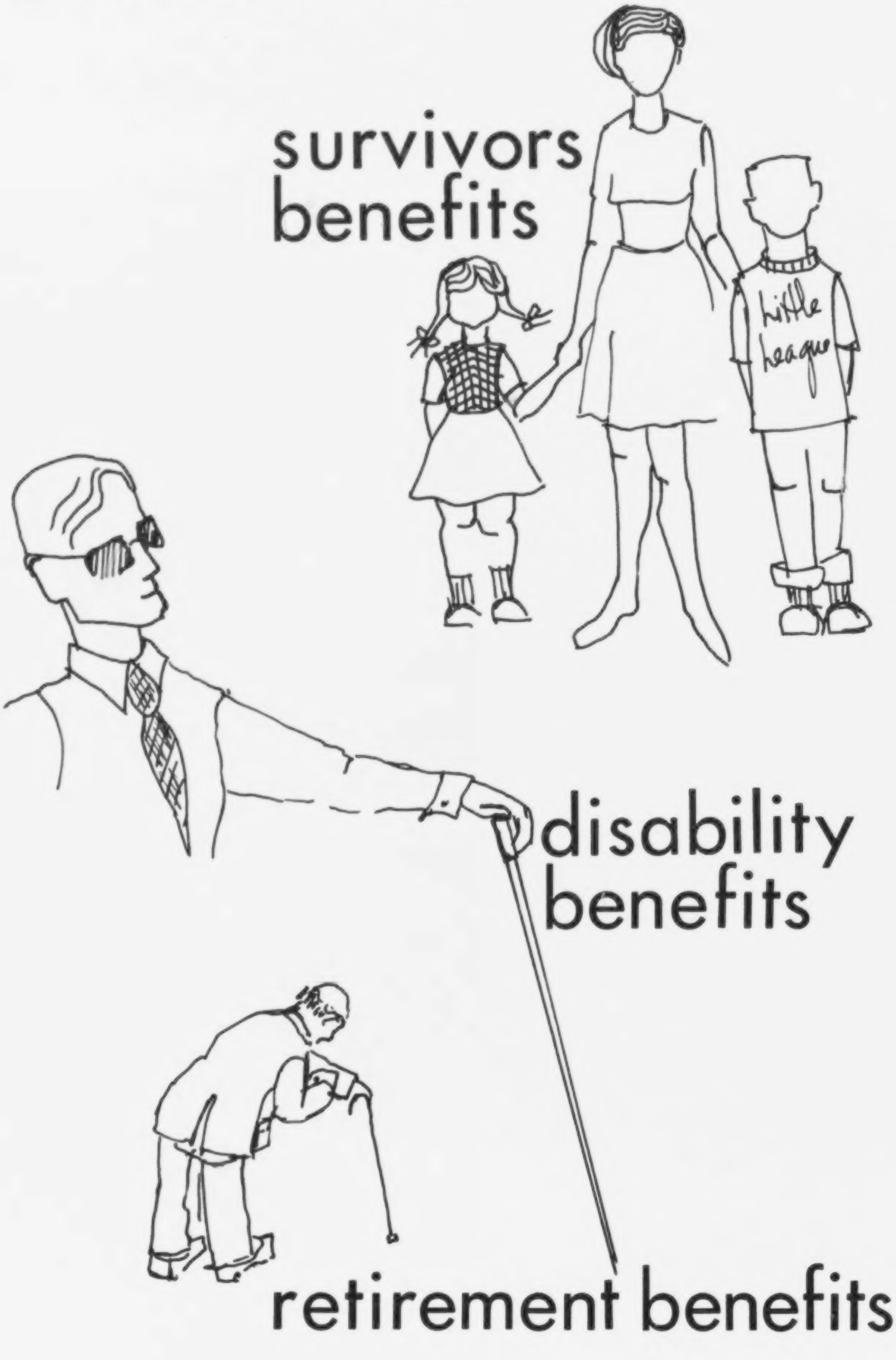
Remember that benefits under Social Security are not paid automatically--you must make a claim. Employees at your nearest Social Security office can explain the benefits due you and the requirements you must fulfill in order to become eligible for payments.

What is Medicaid? It is a program which provides medical benefits for persons, regardless of age, whose income and resources prevent them from paying for health care. The program sets family income limits in order to qualify for benefits which vary from state to state.

APPLICATION: Plan a visit to your nearest social security office to obtain and study literature available for students from that office.

KEY POINTS: Social Security, a government-sponsored insurance program, adds to the financial security of most American families.
Social Security provides benefits for survivors, disability, and retirement.
Medicare is a government-sponsored health insurance plan for persons over 65.
Medicaid is a government-sponsored health program which provides medical benefits for needy persons.
Social Security pays survivors' benefits to wife, children under 18, full-time students under 21; disability benefits to disabled workers; and retirement and medical benefits to retired workers.

SOCIAL SECURITY BENEFITS


survivors benefits
Little League
disability benefits
retirement benefits

UNIT VII: INSURING
VII-5. Automobile Insurance

OBJECTIVES:

To recognize the need for automobile insurance
To describe the basic automobile coverages available
To recognize factors which affect auto insurance costs
To determine what to do if one's auto insurance is cancelled

VOCABULARY: Automobile insurance Bodily injury liability insurance Property damage liability insurance Medical payments insurance Uninsured motorists Comprehensive physical damage insurance Collision insurance

Automobile insurance provides financial protection in case of an automobile accident. What kind of costs may result from an accident?

Repair costs for your car or someone else's car
Medical expenses
Lawsuit for settlement of damages

What would happen if the accident was your fault and you had no insurance to cover these costs?

You might become liable for a large amount of money, which might impose great hardship on you or your family for years to come.

What types of protection may be provided by automobile insurance? Use flannel board [see p. 266] to illustrate.

Bodily Injury Liability Insurance. Protects the car owner, members of his family who may drive, or other persons who have permission to use his car against claims resulting from injuries, sickness, or death of a pedestrian or the driver or passengers of another car, resulting from an accident caused by his car. Bodily injury liability insurance is often referred to as 10/20, 25/50, 50/100, or 100/300. This means that the insurance company in the first example will pay up to $10,000 for injuries received by any one person in an accident or up to $20,000 for all persons injured in the accident. With rising medical cost 10/20 should be considered a bare minimum coverage. Higher coverage costs little extra, and may save your family a great deal of money should medical costs for those injured exceed the maximum coverage of the policy. Show price comparisons from your local area for higher coverages.

Property Damage Liability Insurance. This coverage applies when your car damages the property of others. The damage may be to another car, a lamp post, telephone pole, or building. It does not cover damage to your car. Coverage may be purchased in amounts ranging from $5,000 to $100,000.

Bodily injury and property damage liability insurance are usually sold together. Coverage is often written as 10/20/5. The first two numbers refer to bodily injury, the last to property damage, in thousands of dollars.

Medical Payments Insurance. This coverage applies to medical expense resulting from injuries suffered by you and all members of your immediate family while riding in your car or someone else's car, or when struck by a car while walking. It also applies to guests in your car. The maximum amount the insurance company will pay to any one person injured in any one accident is limited to the amount stated in the policy, usually $500 to $5,000. Again, higher coverage usually costs little extra.

Protection Against Uninsured Motorists. This coverage pays damages up to the limits specified in your policy for injuries caused by an uninsured motorist. Protection applies to the policyholder and all members of his immediate family, whether occupying the family car or someone else's, or walking. It also applies to guests occupying the policyholder's car.

Comprehensive Physical Damage Insurance. Protects against physical damage to your car by fire, theft, glass breakage, flood, falling objects, missiles, explosion, earthquake, windstorm, hail, water, vandalism, malicious mischief, riot or civil commotion, or collision with a bird or animal. Cost varies according to where you live.

Collision insurance. This coverage will pay for damage done to your car as a result of colliding with another vehicle, or object, or as a result of turning over, regardless of who was responsible. Collision insurance is usually written on a $50 or $100 deductible basis. This means you pay the first $50 or $100 of damage and the insurance company pays the rest. The year, make, and model of your car determine the cost of this insurance. Collision insurance usually is not carried on a car over four years old because the cost of repairs will probably exceed the value of the car. Collision insurance is usually required by the lender if the car is bought on credit.

Use the chart [see p. 267] to summarize the coverage provided by the basic types of auto insurance.

How much does automobile insurance cost? Make a handout of the following information to use for discussion. The cost depends on several things:

1. The amount and type of coverage you choose. Liability insurance in amounts of 10/20/5 costs less than higher amounts. Collision insurance with $100 deductible is less expensive than insurance with a $50 deductible.

2. The area in which you live. Insurance costs more in cities where traffic is heavy than in rural areas where traffic is light.

3. The year, make, and model of your car. A new car is higher to insure because the car is worth more than an older one. Compacts cost less to insure because they usually do less damage in an accident to other property.

4. The age, sex, and marital status of drivers of your car. The highest rates are paid by unmarried males under 25 years of age who own or are the principal operators of a car because they tend to have more frequent and more costly accidents. Discounts are sometimes given to young drivers: for good driving records, completing an approved driver education course, honor students, or resident students at a school more than 100 road miles from their home.

5. The accident record and insurance statistics for the state and community in which you live. You can help keep insurance rates down by being a safe driver.

6. The insurance company from whom you buy. Some companies are more selective in assuming risks; they lose less money in claims, so their rates are cheaper. An independent company may have lower rates.

7. The accident and driving records of those who will be driving the car. Some companies give a 10 to 20 per cent discount for a good driving record.

8. The occupation of the driver. Persons who farm or ranch may qualify for a 25 to 30 per cent discount on insurance premiums for a "farm automobile" (one garaged on a farm or ranch and not used in any occupation other than farming or ranching, nor used in driving to and from an occupation other than farming).

9. The use of the car. Special insurance may be needed if you drive outside the United States. Insurance may be higher for a much used business car.

10. The number of cars owned. A number of companies offer a discount of 10 to 20 per cent for insuring two or more cars under the same ownership.

APPLICATION: What can you do if your insurance is cancelled? (A handout would be good so students will have this information for future reference.) Ask each student to select one of the following solutions and give reasons for choosing it.

--Try another company. Perhaps you can get another company to look at your case on its individual merits. If you also need insurance for your home or business, perhaps you can get both from the same company.

--Look to the affiliated companies of major independent companies. The larger company may provide coverage for persons who don't qualify for the low-cost, select risk coverage offered by the independent companies.

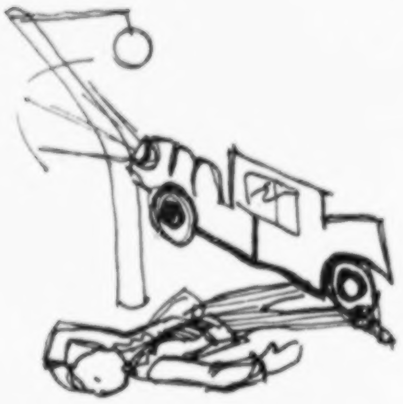
--Get supplementary coverage. If you are placed in the assigned risk pool and are eligible only for minimum coverage, you may be able to get additional coverage provided by Lloyd's of London through an insurance agent. This is expensive, however.

--Substandard risk. If you want to avoid the assigned risk pool entirely, you can get insurance from a number of companies that specialize in substandard risk coverage. It's expensive, too.

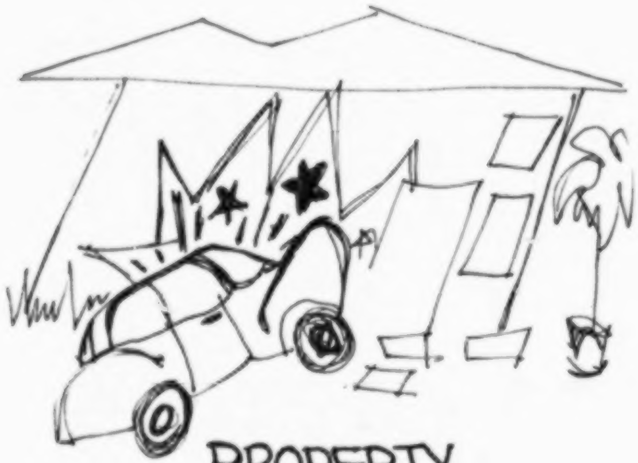
--Assigned risk pool. An arrangement through which a number of companies agree to insure a portion of the high risk persons who cannot find insurance elsewhere. Rates are quite high. Only minimum coverage liability is offered.

KEY IDEAS: Adequate insurance coverage is expected of all car owners.
Automobile insurance provides financial protection in case of an accident.
A number of factors affect the cost of automobile insurance.
Several alternatives are available for persons whose insurance has been cancelled.

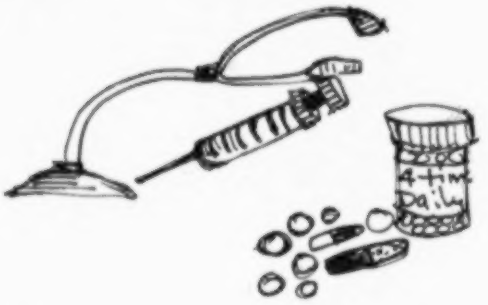
Types of AUTOMOBILE INSURANCE



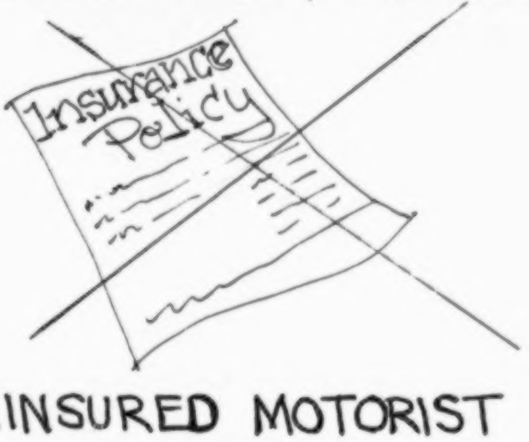
BODILY INJURY LIABILITY INSURANCE



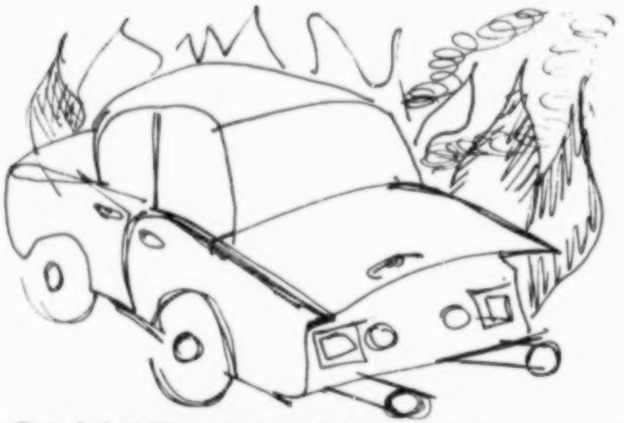
PROPERTY DAMAGE LIABILITY INSURANCE


4 times Daily

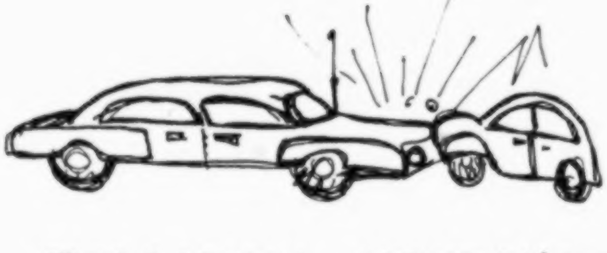
MEDICAL PAYMENTS INSURANCE


Insurance Policy

UNINSURED MOTORIST PROTECTION



COMPREHENSIVE PHYSICAL DAMAGE INSURANCE



COLLISION INSURANCE

A SUMMARY CHART OF AUTOMOBILE INSURANCE COVERAGES

Bodily Injury Coverages	Persons Covered	
	Policyholder	Other persons
--Bodily Injury Liability	No	Yes
--Medical Payments	Yes	Yes
--Protection Against Uninsured Motorists	Yes	Yes
Property Damage Coverages	**Property Covered**	
	Policyholder's Automobile	Property of others
--Property Damage Liability	No	Yes
--Comprehensive Physical Damage	Yes	No
--Collision	Yes	No

UNIT VII: INSURING
VII-6. Home Insurance

OBJECTIVES:

To describe the purposes for home insurance
To list coverages which may be provided by home owners insurance
To compare the three main forms of home owners insurance
To determine factors affecting the cost of home insurance

VOCABULARY: Home owners policy   Standard form   Broad form
Comprehensive form   Residence contents broad form

What are some things which might happen to your home or personal belongings? [Use cartoons, see p. 271]

Fire
Theft
Vandalism
Hail
Windstorm
Lightning

These are just a few of the hazards which may cause damage to your home or personal property. Have any of these things ever happened to your family? What can a family do to lessen the hardship which would be caused if one of these hazards damaged or destroyed its home or property?

Share the risks posed by these hazards with other families through insurance.

What types of insurance may be purchased on one's home and personal property?

Several separate insurance policies may be purchased--a fire policy, a burglary and theft policy, a policy against storm damages, and a liability policy. Another way to protect against all these hazards is to purchase a home owners policy which covers a variety of risks. If you rent rather than own the place where you live, a special form of the home owners policy is available.

What hazards does a home owners policy protect against?

A home owners policy includes both property and liability coverages up to the stated limits.
Property coverage includes:
(1) House, garage, and other private buildings on your lot
(2) Personal property and possessions, wherever they are
(3) Additional living expenses in case you cannot live in your home because of damages caused by one of the hazards you are insured against
Liability coverage includes:
(1) Personal liability which provides legal defense against lawsuits that may be filed against you if someone is injured on

your property or you accidentially damage someone else's property and you are legally at fault

(2) Medical payments for injury to others

(3) The property of others when damaged by you or a member of your family

The home owners policy is available in three basic forms--the Standard Form, which covers the first 11 hazards in the chart [see p. 272], the Broad Form, which covers all 19 hazards, and the Comprehensive Form, which covers these 19 hazards and all others except those listed at the bottom of the chart.

The Residence Contents Broad Form is a home owners policy for renters which covers personal possessions against the 19 hazards described in the chart and includes additional living expenses and liability coverage.

How much does home insurance cost?

The cost of insuring your home depends on several things:
--The number and kinds of hazards you want to insure against
--The amount of coverage you want
--The value of your home
--The location of your home
--The efficiency of the fire and police departments in your area
--The materials used in building your home

How much insurance should I have on my home?

Under the home owners policy you must usually insure your home for 80% of its replacement value in order to receive full payment for any partial loss or damage.

How can I make the most of my home insurance? (Provide a handout [see p. 273] of this information.)

--Buy adequate insurance on your home
--Keep a list of your possessions and their replacement value
--Review your insurance program with your agent periodically
--Report losses to your agent promptly, with all details he needs to make your claims

APPLICATION: Discuss the following questions:

Do you have a home owners insurance policy? If so, study your policy to see what hazards you are insured against. What form do you have?

What information must you have before you can decide how much insurance you need? Who can help you decide how much you will need?

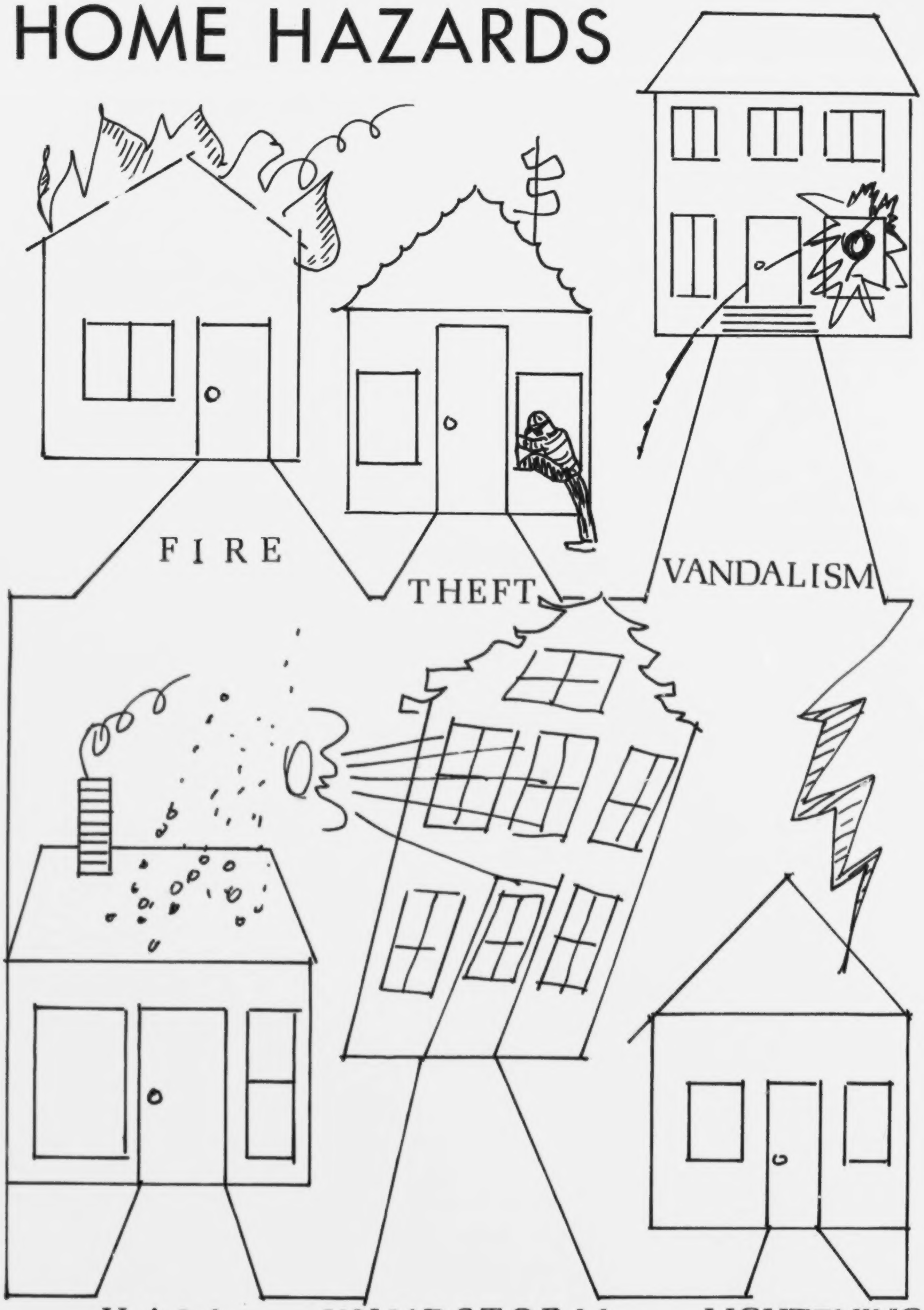
What type of home owners policy should you have for your home? How much insurance should you have on your home? If you already have a policy, is it enough?

KEY IDEAS: Home insurance protects against economic loss from a number of hazards.

A home owners policy provides both property and liability coverages up to stated limits.

A list of possessions and their replacement value should be kept in a safe place so losses are easier to determine.

HOME HAZARDS


FIRE
THEFT
VANDALISM
HAIL
WINDSTORM
LIGHTENING

HOME OWNERS POLICY[1]

FORMS				HAZARDS PROPERTIES ARE INSURED AGAINST
COMPREHENSIVE FORM	BROAD FORM	STANDARD FORM	1.	Fire and lightning
			2.	Loss or damage to property removed from premises endangered by fire
			3.	Windstorm or hail
			4.	Explosion
			5.	Riot, riot involved in a strike, civil commotion
			6.	Aircraft
			7.	Vehicles, if not owned or operatrd by the insured
			8.	Sudden and accidental damage from smoke
			9.	Vandalism and malicious mischief
			10.	Theft
			11.	Breakage of glass which is part of the building
			12.	Falling objects
			13.	Weight of ice, snow, sleet
			14.	Collapse of building(s) or any part of the building(s)
			15.	Sudden and accidental tearing apart, cracking, burning, or bulging of a steam of hot water heating system
			16.	Accidental discharge, leakage or overflow of water or steam from a plumbing, heating or air-conditioning system
			17.	Sudden and accidental tearing apart, cracking, burning or bulging of appliances for heating water for domestic consumption
			18.	Freezing of plumbing, heating and air-conditioning systems and domestic appliances
			19.	Sudden and accidental injury to electrical appliances, devices, fixtures and wiring (TV and radio tubes not included)
				All perils EXCEPT: earthquake, landslide, flood, surface water, waves, tidal water or tidal wave, the backing up of sewers, seepage, war, and nuclear radiation

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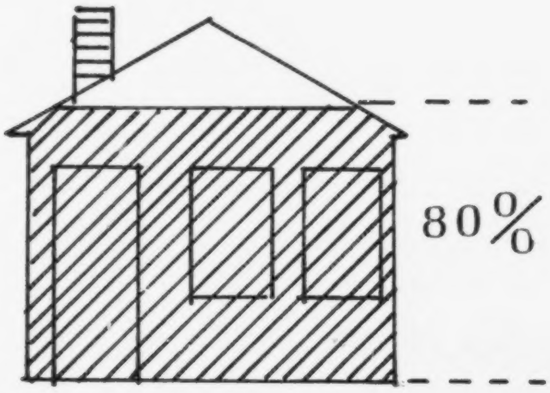
[1] Adapted from Insurance for the Home. New York, New York: Insurance Information Institute, n.d.

How can I make the most of my home insurance?

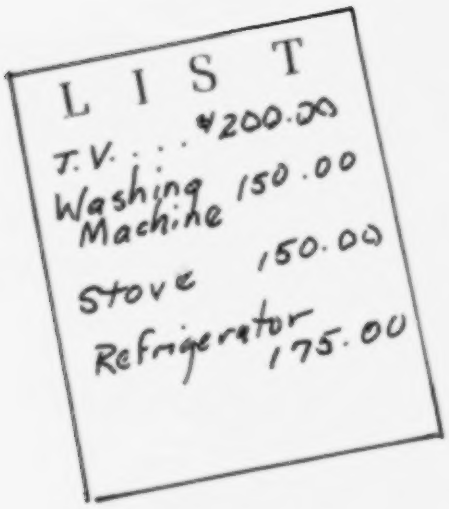


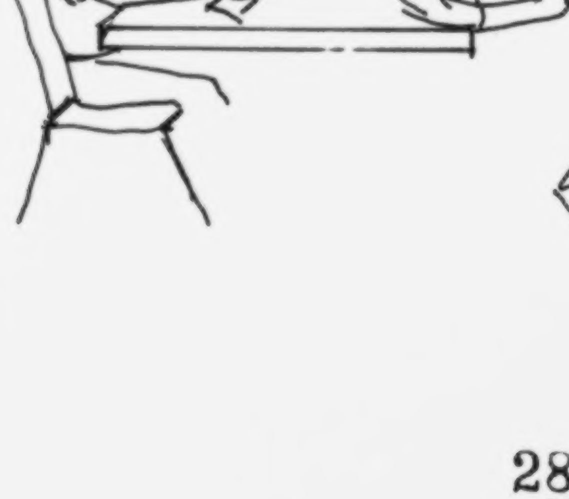
Buy adequate insurance on your home and belongings.

Keep a list of your posessions and their replacement value.

Review insurance program with your agent periodically.

Report losses to your agent promptly with all details he needs to make your claim.


LIST
T.V. . . . $200.00
Washing Machine 150.00
Stove 150.00
Refrigerator 175.00



UNIT VII: INSURING
VII-7. Insuring the Future with a Will

OBJECTIVES:

To determine the function of a will
To list the reasons for making a will
To explain how a will is made
To predict problems which occur when a person dies leaving no will

VOCABULARY: Will   Estate   Real property   Personal property
Administrator   Joint ownership   Community property
Separate property   Administration   Guardianship

Can you think of something which you own that you would like for a certain person to have when you die? If so, you need a will. Would you like to be sure that your husband, wife, children, or someone else receives your money and other property when you die? If so, you need a will. Wives, did you know that under some states' laws you own half of the property you and your husband have acquired since your marriage? If you have acquired such property or own property yourself, you need a will.

What are some things your family owns?

A home?
A car?
Some life insurance?
A few shares of stock?
A bank account?

Why do you need a will? Here are some points to consider:

(1) A will assures you that the persons you wish will receive your estate (the property you leave behind) with less expense than if you left no will. Death and inheritance taxes may be less, too.
(2) Whether you own real property (real estate, such as land) or personal property of value (car, jewelery, furniture, stocks, bonds, and savings account), you need a will. This is true whether you own it jointly with someone else.
(3) You have a right to decide who will get your property when you die. If you leave no will your--property will be distributed by law.
(4) If you don't leave a will, your estate will be handled by an administrator appointed by the court and this costs money. Without protection of a will, your estate could be reduced substantially by heavy costs and taxes.
(5) Joint ownership (you and your wife owning property together, for example) may not take the place of a will. Property owned jointly may still be subjected to death taxes and maybe even to gift taxes, which are higher than death taxes.

(6) Your estate (what you own) is probably larger than you think. Think of the property that you own--
    Real property
        House
        Investment property (lots, apartment building, etc.)
        Business property (office building, etc.)
    Personal property
        Automobile(s), boat
        Household furnishings, tools, jewelry, sports equipment, and other personal items
        Employee benefits (retirement and pension funds; group life insurance)
        Credit union accounts and other savings
        Notes (secured and unsecured)
        Stocks and bonds
        Life insurance (including credit union, life savings, and loan protection insurance)
    These are only a few of the things you may own.

(7) Your will should be written by your lawyer. You wouldn't take out your own appendix, would you? Instead you would consult a professional. You should do the same with your will. It doesn't cost as much as you might imagine.

(8) Your will does nothing until you die, but it should be carefully planned and kept up to date so your property will be distributed the way you want it to be.

(9) Keep your will in a safe place--your lawyer's or bank's vault (not a safe deposit box) would be a good place. Also keep a letter of last instructions in a place where your family can easily find it, or tell them where it will be.

(10) Review your will periodically. Only you can change your will, but an outdated will may be as bad as no will at all.

Who can make a will?

You can if you are:
(1) of sound mind; and
(2) eighteen years of age, or
(3) now married or have been lawfully married, or
(4) in the armed forces or auxiliaries, or the maritime service.

What does a will do?

(1) It determines who receives a person's property at his death.
(2) It can be changed by the maker and it gives no one any property so long as the person making the will lives.
(3) It can save death taxes and expenses.
(4) Properly drawn, it can solve or avoid many problems created by death without a will.

What happens if you should die without a will?

In Texas, if you leave only community property (property accumulated during marriage, except property acquired by gift, will, or inheritance) the following rules apply:

(1) If you have children, your wife (or husband) inherits NOTHING. She (or he) already owns 1/2 of the community estate.
(2) Your children take your ENTIRE one-half of the community property.
(3) Your wife may have to go to work because her half may not be enough to support her. (And she may still have the legal obligation to support any children under eighteen.)
(4) An administrator (person(s) appointed to distribute your estate) may be necessary.
(5) A guardianship (person(s) appointed to protect you children's property) may be necessary for the estate of your minor children.

If you leave separate property (property owned before marriage and property acquired during marriage by gift, will, or inheritance), different rules determine who gets it.

Two other words deserve attention:

Administrator--one or more persons appointed by the court to distribute the property of someone who has died, after gathering together his property and paying off debts and taxes of the estate. May be avoided by a properly drawn will.
Guardianship--one or more persons appointed by the court to protect the property and rights of minors, to sell their interest in the home, the car, and the stocks, and to handle the children's money. Social Security and the Veterans Administration may require it before they will pay certain benefits. A court appointed guardian may be avoided by appointing a guardian of your choice in a properly drawn will.

APPLICATION: Make a tour through your home and list any pieces of furniture, antiques, and personal items such as jewelry, grandmother's quilt, or family photographs, that you would want to give to someone special when you die.

KEY IDEAS: Estate planning involves the program for use, conservation, and disposal of all one's money and property after death. Careful estate planning can protect and assure a family both financially and emotionally.
The drawing of a will insures that a person's estate is distributed to persons of the owner's choice after his death.

UNIT VIII: SHARING

VIII-1. Sharing Through Taxes

OBJECTIVES:

- To list kinds of taxes which are paid and benefits derived by their own families
- To relate taxes paid to benefits received
- To state reasons tax funds are used to provide goods and services
- To determine tax records which should be kept by the family
- To apply knowledge of tax records to filling out an income tax return

VOCABULARY: Taxes   Sharing   Income tax   Property tax   Sales tax

What do you think of when taxes are mentioned? Many people think first of the Federal Income Tax, which is withheld from their pay checks. Taxes are necessary because they are needed to pay for the operations of the three levels of our government--federal, state, and local. Use visual [see p. 279].

Not many people like to pay taxes. The reason is that we may not realize that the money we pay in taxes is used to provide the services and protection our families use every day. If we want to keep these services, we must share in paying for them.

The federal government gets most of its money from income taxes. How does the federal government use its tax money? The federal government uses that money to pay for highways, national parks, numerous educational services, public health and welfare services, agricultural and medical research, and for the national defense program. Can you think of ways states use their tax money?

States use the money they get from taxes for highways, recreation areas, schools, hospitals for the mentally ill, special schools for the handicapped, and public assistance and welfare services.

Local governments get much of their money from property taxes. How does our local government use its tax money? These taxes provide police and fire protection, schools, community colleges, streets, sidewalks, libraries, water systems, sewer systems, parks, and swimming pools.

The taxes we pay, then, provide services and protection for our families that we could not possibly provide for them ourselves. For example, could you afford to hire a fireman or a policeman to protect your home?

Most of these services are needed by our families. Some of them can help our families save money, too. For example, a day at the park costs very little compared to an hour at a movie. Public school costs almost nothing compared to the cost of attending private school. So we might say that the money paid in taxes by families is returned to them in the form of services.

What are the kinds of taxes that most families pay? Use a visual to illustrate.

Sales Tax

In many states and localities, the sales tax is charged on every item sold. In some areas certain food and drug items are taxed. This is a tax we are well aware of paying. Usually a certain amount is charged for each dollar or part of a dollar spent. How much sales tax do we pay?

Property Tax

Property taxes are frequently charged for owning real estate. However, they are also levied on personal items such as stocks and bonds, automobiles, clothing, furniture, and jewelry in some places. A scale is used to determine the amount of property tax to be paid. For example, if the tax rate is $2.83 per $100 of property, a person who owns property worth $5000 would pay property taxes of $141.50. What is the tax rate for property in your town?

Personal Income Tax

Every person who is a citizen or resident of the United States who earns $600 or more income during the year must file a federal income tax return. This affects nearly everyone who earns any money, so it is important that we learn all we can about income tax procedures. Each family needs to know:

how to keep records for income tax purposes
how to itemize allowable expenses, including medical costs and contributions
which sources of income are not subject to taxes

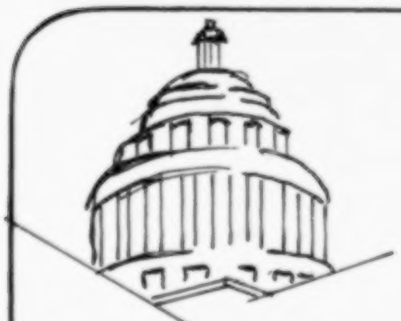
APPLICATION: Ask a local tax office to give information on income tax procedures and supervise students filling out income tax forms. Have students suggest simple ways to keep tax forms.

KEY IDEAS: An understanding of the tax structure and benefits derived from government programs may contribute to a willingness to pay taxes.
Goods and services which would be very difficult to obtain from individual resources can be provided economically through the use of tax funds.
Responsibility for proving that tax information is accurately and completely reported rests with the person filing the return and paying the tax.

HOW OUR TAXES ARE USED

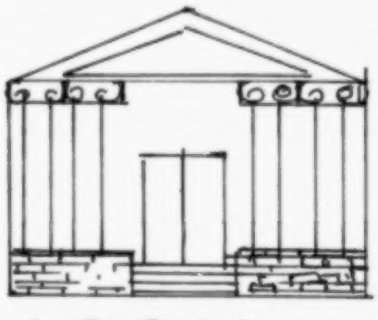
FEDERAL

- Highways
- National parks
- Educational services
- Public health and welfare services
- Agricultural and medical research
- National defense program



STATE

- Highways
- Recreation areas
- Schools
- Hospitals
- Special schools
- Public assistance
- Welfare service



LOCAL

- Police and fire protection
- Schools
- Community colleges
- Streets
- Sidewalks
- Libraries
- Water systems
- Sewer systems
- Parks
- Swimming pools

UNIT VIII: SHARING

VIII-2. Sharing Through Gifts

OBJECTIVES:

To identify the benefits of charities which are available
To list services provided by churches in his area which may be of benefit to the family
To explain how carefully chosen gifts may improve family relationships and raise the standard of living
To consider gifts suitable for various family members
To apply skills in making inexpensive personal gifts

VOCABULARY: Gifts Charity Church Personal

Another way families share is through gifts. We might say that there are three main types of gifts: charity, church, and personal. Use visual [see p. 282].

What are some charities to which families give? Gifts may be in the form of money or giving time to collect gifts from others. What do these charities do with the money families give to them? Charities use money for research to find new and better ways of curing people of diseases, help families during family emergencies or disasters, provide recreational services for needy families, provide educational services, support worthwhile organizations such as Scouts, Campfire Girls, YWCA, YMCA, and in numerous other ways.

Churches also provide services for families. What services do they provide? Churches provide a place to worship, educational services, training, child care, counseling services, and aid to families in need.

Family members share with one another, with friends, and with relatives by giving gifts. What are some of the occasions at which families share? (Birthdays, anniversaries, Christmas, Mother's Day, Father's Day, graduation)

A gift is an expression of love. Therefore, it is not how much the gift costs that counts, but the thought. When choosing a gift, choose something that the person receiving it would enjoy having, not something you would enjoy owning.

How do you feel when someone gives you a gift of which you are particularly proud? Do you think persons to whom you give gifts sometimes feel this way, too? When a member of your family is particularly pleased with a gift, does the rest of the family share his pleasure?

Some families choose gifts that will help make their money go farther. They choose something that the person receiving the gift needs rather than something which is not needed and which may not be used. If friends and relatives are also careful in choosing gifts for family members, the family can have more of the things it needs.

An expensive gift is seldom, if ever, necessary. It may cause embarrassment and may be in poor taste. Your family and friends may enjoy most of all something you have made yourself. If a more expensive gift seems appropriate, several people might pool their money to make the purchase.

Can you think of some inexpensive gifts you have made or might make for a friend, relative, or a member of your own family?

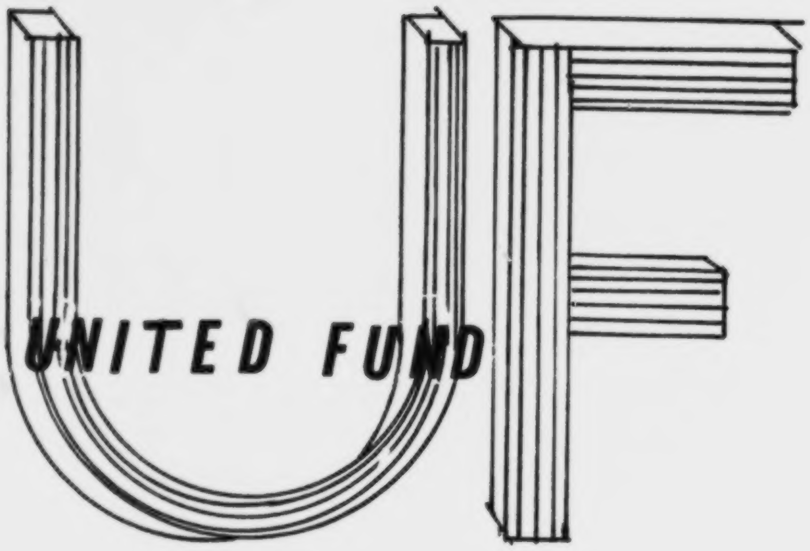
Ask students to think of gifts which would be appropriate for different family members and persons of various ages.

APPLICATION: Have students make some inexpensive gifts or learn how to wrap gifts attractively and inexpensively.

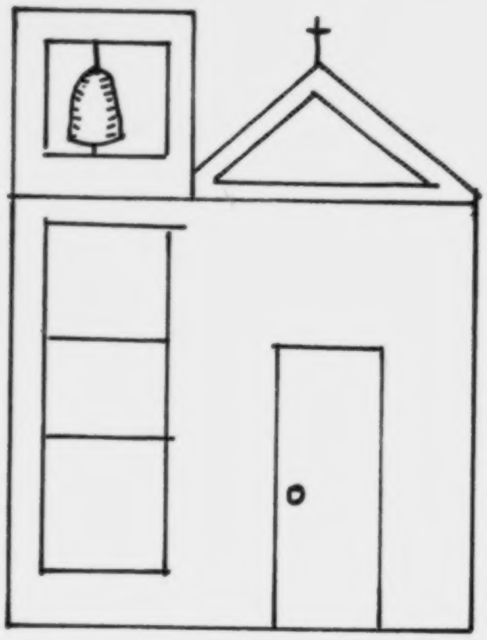
KEY IDEAS: Knowledge of charities which receive donations for support can aid one in obtaining available benefits. Knowledge of services provided by churches may aid families in taking advantage of available services. Personal gifts, carefully chosen, may help to improve family relationships and raise the standard of living.

Ways We Share

Charity


UNITED FUND

Church



Personal

HAPPY BIRTHDAY

UNIT IX: EARNING

IX-1. What Determines My Earning Power?

OBJECTIVES:

To determine influences on career opportunities
To recognize the role of education in one's career opportunities
To analyze the special problems of youth in getting a job
To describe favorable and unfavorable attitudes which affect one's ability to advance
To explain the importance of good human relations on the job

VOCABULARY: Career Job opportunities Employment trends Attitudes Human relationships

Why do people work? Money is the main reason people work--money for things one's family needs. People work so they can do something interesting and useful. They work to gain more experience or to learn a trade. They work so they will not be dependent on their family. Some people work because they enjoy being with other people. They work because they like what they are doing.

Knowing something about the job market will help you in making decisions about your own career. This means that you must know quite a bit about the world of work, particularly in the area in which you live.

You should know that the world of work is changing and how it is changing. Can you think of some jobs that were once important that no longer exist today? (wagon builders, harness makers, blacksmiths, hand elevator operators, etc.) Have you ever held a job which no longer exists?

If you are looking for a permanent job with a good future, you should be familiar with certain changes in various job opportunities. Use visual [see p. 287].

1. Fewer unskilled workers will be needed in the future. Machines, such as ditch digging machines, have taken over many jobs which were once done by hand.
2. Semi-skilled labor will still be in demand, but the rate of increase will be very small compared with that in other types of work. Be smart and train for a job with a future.
3. Skilled workers and foremen will continue in demand. However, the rate of increase for such jobs will be less than half of that for skilled technicians and professional workers. Training is available through apprenticeship or vocational training.
4. The largest increase in job opportunities will be for college trained professional workers. Areas of greatest demand will include engineering, science, space research, accounting, atomic energy, teaching, technical writing, medical service, social work, and marketing. Sales workers and service workers (such as beauticians, laundry and drycleaning workers, food

service employees, etc.) will also be in demand.

5. White-collar jobs are replacing blue collar jobs. Professional, managerial, clerical, and sales jobs will continue to provide more employment opportunities than jobs for craftsmen, operatives, and laborers.

How would these facts help you in planning your career? How does your job choice affect your earning power?

What do these employment trends mean to you?

1. Get all the education you can before you look for full-time employment. If you are already employed, look for ways to continue your education, through evening classes, part-time school, Saturday classes, or on-the-job training.
2. Consider going to college, trade school, technical school, or vocational school. Plan to complete high school if you have not received your diploma. Consider enlisting in the military services to receive technical training which will be valuable when you return to civilian life.

Show and discuss visual [see p. 288] showing relationship between education and training for jobs and earning capacity.

What special problems do young people face in getting a job?

Lack of experience
Lack of skills
Little education
Few entry level jobs with a future
Lack of maturity
Lack of good work habits
Poor attitude
Low paying jobs

Sometimes one's personal situation affects his ability to get a job. Some of these factors include:

Age
Family responsibilities
Physical condition
Marital status
Number of children
Work preparation
Work experience
Interests
Activities
Values
Goals

You can affect your job opportunities, too. What are your attitudes toward work and toward various occupations? Do you work hard to establish good relationships with your employer and your fellow employees? Are you willing to make some sacrifices to get additional training or education?

Your attitudes will have a great deal to do with your job success. What is an attitude? It is the way you look at things. What are some attitudes that frequently cause workers to be fired? (Write each word on the board or use a flannel board or poster.)

Carelessness--Errors which could easily be prevented cause a business to lose money and could cause you to lose your job.

Failure to cooperate--The success of a business depends on teamwork. Workers who fail to cooperate make things difficult for everyone. Make a good start by following company rules.

Laziness--Some workers simply do not do as much work as they can do. They fail to meet quotas or other standards. Soon other workers are slacking off and profits go down. Some workers go so far as to be absent or tardy without cause.

Lack of interest--These workers may meet their quotas and finish their work as quickly as possible so they can do what they want to do--on company time. Paying too much attention to outside interests can cause a worker to lose his job.

Dishonesty--This involves things like stealing, dishonest use of time, lying, being untruthful to customers, and failure to give honest answers on one's job application.

Disloyalty--Employers expect those working for them to speak well of the company and its products.

Improper dress--This varies from inappropriate clothing to unclean, ill-kept clothing. Extremes in dress, make-up, or hair style may be cause for dismissal.

Lack of ambition--Most of the attitudes above may be the result of lack of ambition!

Lack of initiative--Some employees do what they are told to do, but never do anything on their own. They finish one task and wait until they are given another. Of course, the other extreme of taking too much initiative would be undesirable, too.

Lack of courtesy--There is really no excuse for bad manners!

Role play situations depicting poor attitudes. Discuss each one and then role play the same situation, showing a worker with a good attitude.

Name the opposite of each of these attitudes and tell how a worker would display this positive attitude. What attitudes can help your human relationships on the job? Here are a few suggestions:

1. Look for the good things in the people you work with and for.
2. Look for the good things in your company.

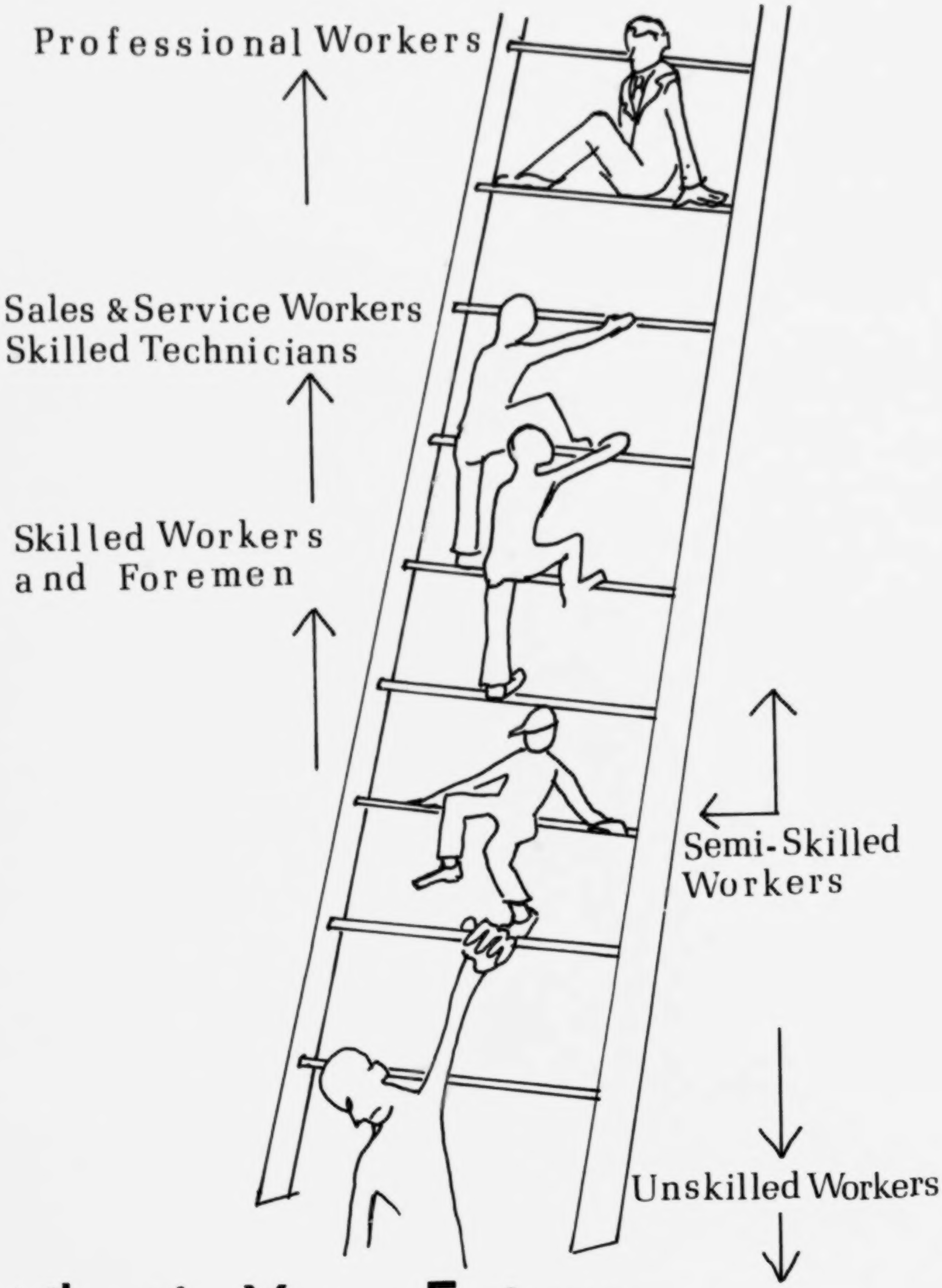
3. Look for the good things in your department.
4. Don't let anyone with a negative attitude cause you to lose your positive attitude.
5. Do your best work and keep trying to do better.
6. Keep learning.
7. Work hard at building good relationships with fellow employees and your supervisor. This means keeping your sense of humor and trying to understand the people you work with.
8. Don't nurse a small gripe. Try to talk it over with the right person (the person involved or your supervisor).
9. Don't be afraid to apologize.
10. Don't repeat rumors. Don't start rumors. Do your best not to worry about rumors until they are proven or disproven.
11. Learn to release your frustrations harmlessly.
12. Learn to listen carefully.
13. Never underestimate the importance of another person to the company.
14. Report mistakes you make to the management. Everybody makes mistakes, so don't try to cover them up. This is dishonest.

The above information might be provided in a handout.

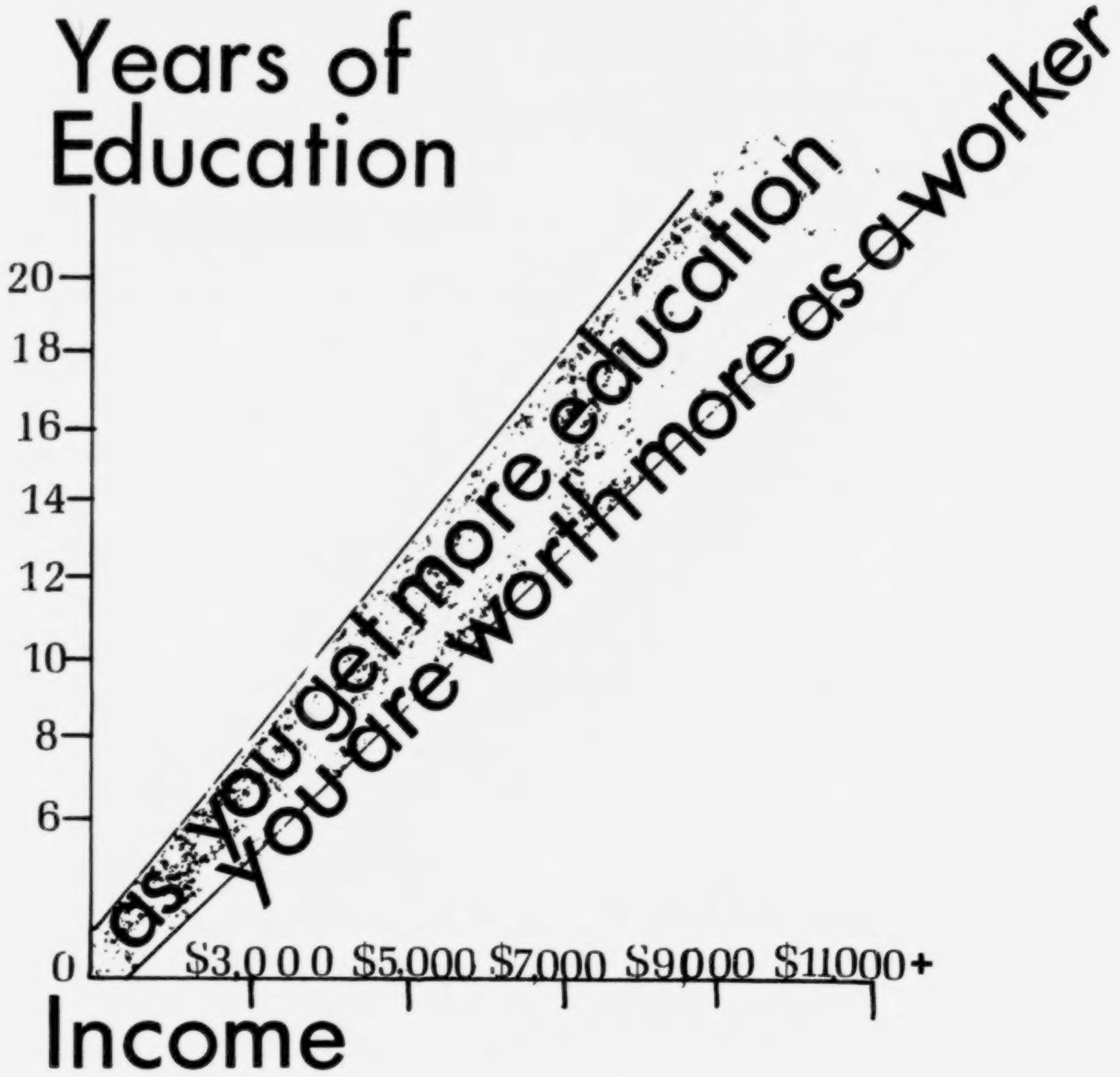
Discuss ways in which human relationships affect earning. How could poor human relationships among employees make them produce less as a group?

APPLICATION: Have students examine case studies of workers whose inability to get along with others caused them to be fired. Dramatize ways that could have improved their human relationships.

KEY IDEAS:
Changes in the world of work affect one's career opportunities.
Education is important in today's world of work.
Young workers have special employment problems.
One's personal situation affects his career opportunities.
Attitudes may cause a worker to be fired or help him to get ahead.
Human relationships are important in any job.


Professional Workers
Sales & Service Workers
Skilled Technicians
Skilled Workers and Foremen
Semi-Skilled Workers
Unskilled Workers

What's Your Future On The Employment Ladder?


Years of Education
20
18
16
14
12
10
8
6
0
as you get more education
you are worth more as a worker
$3,000
$5,000
$7000
$9000
$11000+
Income

UNIT IX: EARNING

IX-2. Education for a Better Job

OBJECTIVES:

To recognize ways a worker can help himself to get ahead in the work world
To determine where to look for specific jobs

Everybody wants to get ahead. Let's look at some ways you can get ahead. Use a flannel board to show key phrases [see p. 291].

1. You may get ahead on the job you have now. Check the positions in the company you work for. Decide which one you think you could handle. Ask your supervisor if you could try for that position when there is an opening.
2. You may have to get a job with a different company if you work for a company where you will have little chance to advance. If you decide to change jobs, be sure to look for a new job on your own time. Give your present employer at least two weeks notice, so he can find someone to fill your job. Keep on the good side of him. You might want to use him as a reference.
3. You may need more training. Some companies have training programs for interested employees. You might consider night courses at vocational and technical schools. Several programs are available for adults who want to get their high school diploma. Some colleges offer adult training programs at night or on weekends. Armed services provide a source of training. Unions often offer training or pay for training that will upgrade or update their members' skills. Home study might be the answer for you. (Write to National Home Study Council, 1601 18th Street, N.W., Washington, D.C. 20009, for a list of accredited schools or check with a nearby college.) Occupational training schools are available for barbers, beauticians, radio-TV repairmen, airline hostesses, and for hundreds of other occupations. Informal courses may increase your earning power. For instance, almost every public library can give you help in establishing an individual reading program, and many libraries have lectures, movies, and concerts which could help you get ahead. Churches often have discussion groups or lectures which are helpful. Clubs and organizations, such as the Y, offer courses in grooming and in occupations or hobbies that could help you get ahead. Courses are even offered by radio and TV. There may be a community college, business school, college, or university nearby from which you could take courses.
4. Perhaps a hobby could lead to a career or supplement your present income. Sometimes hobby experience will even count as work experience.
5. Maybe you're advancing at a normal rate, but your work is suffering from money worries. Perhaps you can learn to stretch your paycheck by making better use of your money.

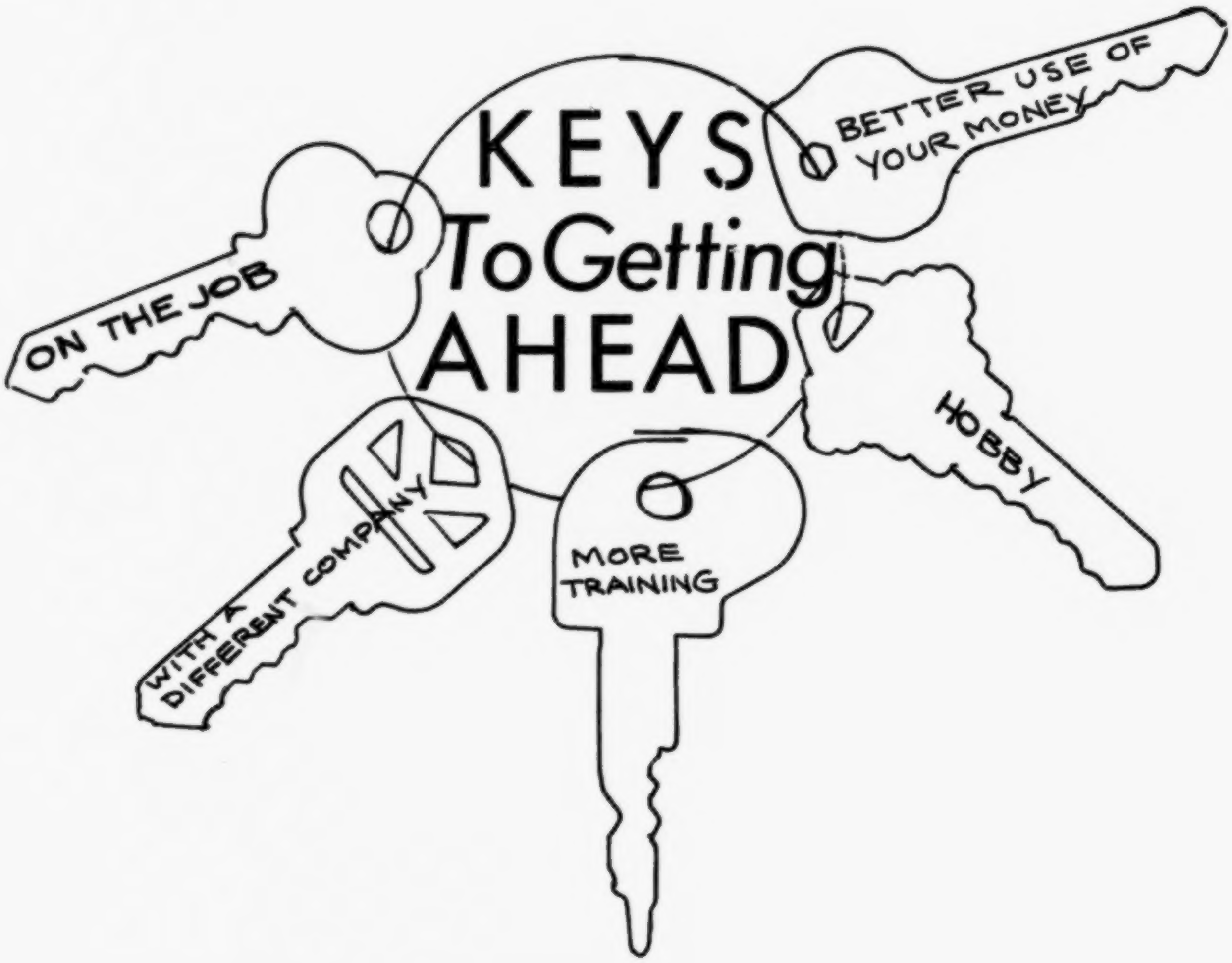
Consider these points:
(1) Don't spend more than you make. Owing money costs money.
(2) Make your paycheck last from payday to payday. Being broke is depressing.
(3) Don't borrow unless absolutely necessary. Interest and payments are a real drag.
(4) Credit purchases cost more.
(5) Pay yourself first by saving a small amount from each paycheck.
(6) Learn about your company's credit union.
(7) Be a smart shopper. Compare prices, watch for sales and specials. Read ads carefully. Read labels.
(8) Find out if you are eligible for group insurance through your company.
(9) Pay your bills on time and save your receipts as proof of payment. Bill collectors can leave you too nervous to work.
(10) Know what your paycheck deductions are for.

Suppose you need a job--where do you start looking? (Provide this information on a handout.)

1. Try your school or college placement service.
2. Read the want ads in newspapers, professional journals, and trade magazines.
3. Check with your union.
4. Ask at your state employment service.
5. See if the U.S. Civil Service Commission can help you.
6. Try a private employment agency.
7. Look in the yellow pages of a telephone directory, industrial directories, or Chamber of Commerce lists for names of firms which might have a job available for you. Get in touch with them.
8. Write to professional associations. Listings are available at libraries.
9. Ask your relatives, friends, and neighbors for information about possible jobs in the field you have decided upon.

APPLICATION: Invite a resource person, such as someone with Texas Employment Commission or a placement service, to discuss job opportunities in your area and types of education needed to fill them.

KEY IDEAS: The worker can usually help himself get ahead by taking initiative to try for a higher position, changing companies, getting more training, developing a hobby, or stretching his paycheck.
Knowing the places to begin looking for a job can help one find a good job faster.


KEYS
To Getting
AHEAD
ON THE JOB
BETTER USE OF YOUR MONEY
HOBBY
MORE TRAINING
WITH A DIFFERENT COMPANY

UNIT X: PROTECTING
X-1. Fraud, Deception, and Quackery

OBJECTIVES:

To recognize fraudulent, deceptive, or quack practices
To explain why people are victims of such practices
To relate deceptive practices to loss of buying power
To role play situations to determine how deception might have been avoided

VOCABULARY: Door-to-door salesmen   Mail-order services   Unordered merchandise   "Free"   "Survey" or "Research"   Bait and switch   Medical and nutritional quackery   Referral plans

FRAUD

Consumers are faced each day with dishonest schemes from which they need protection. Use transparency [see p. 301].

Most businessmen are honest, but--there are some whose tactics you need to know about in order to avoid being taken. Use transparency [see p. 302] and handout [see p. 303.]

Door-to-door Salesmen

Of all sellers, door-to-door salesmen probably have the worst reputation. Of course, there are door-to-door salesmen who are honest. How do you tell the difference? Beware of door-to-door salesmen using one of the following leads:

- playing on your smypathy
- making a gift
- attaching strings to sale--such as money off sale price for each sale made to a person whose name you give
- stating they are under-selling others
- stating they are cutting out the middleman
- claiming you can't buy goods in the store

Also beware of salesmen who say:

- "Just sign here. This statement just gives us the right to use your name." (You may find you've signed a binding contract to buy something. Always read before you sign!)
- "Lifetime guarantee." What does lifetime mean?--your lifetime? lifetime of the product? reasonable lifetime of the product? How long is that?

Ask students if they have ever heard any of these leads used by door-to-door salesmen. Discuss examples of each type of lead.

For your own sake, before buying from any door-to-door salesman, find out if he is authentic. If he is a stranger, question his credentials by:

-making a check of his local address
-checking with the Chamber of Commerce, sheriff, or city hall
-checking with your Better Business Bureau

Have you ever compared the goods available from a door-to-door salesman with the goods you can buy in a store? Are they equal in quality? in price? You should know the answer to these questions before you buy from a door-to-door salesman. Shop around before you buy. The goods sold by many door-to-door salesmen can often be bought more cheaply in local stores. Religious goods, vacuum cleaners, cookware, plastic dishes, encyclopedias, and other goods are sometimes sold by door-to-door salesmen. Know the price you would pay for these goods in the store.

Before signing a contract, compare goods being sold by a door-to-door salesman with those in stores. Here is a complaint from a woman who didn't check prices before buying from a door-to-door salesman:

> "I bought a set of pots and pans from a door-to-door salesman for $49. Later I saw the same ones in a store for $15. They were very poor quality and I wanted to give them back and get my money back, but they wouldn't take them."

Mail Fraud

Another kind of salesman reaches you through your mail box. The reliability of most mail-order services is beyond question. The many satisfied customers of nationally known mail-order houses are proof of that. The great reliability of these may have conditioned you to believe that all mail-order advertising is honest. But unfortunately there are mail-order rackets. Ads placed by dishonest persons appear in the newspapers, in magazines, and in the mail. An example of such rackets is seen in the following case:

> A man received a small package in the mail with no identifying mark on it. Inside was a request from a charity that he had never heard of located in another city. The request asked him to make a dollar contribution in return for the item enclosed. Inside the package was a small plastic letter opener worth ten cents. Thinking that his dollar would be for a good cause, however, he mailed it that afternoon, certain he would be helping someone in need. The warm feeling he had that day turned cold a few days later when he happened to read an article in his local newspaper warning that the organization to which he had contributed was an out-and-out fraud and the money was being pocketed by the man who sent the package.

What might this man have done to find out about this charity before he spent money? (Called the Better Business Bureau, Chamber of Commerce, etc.)

Insurance is another thing frequently sold through the mail. Mail-order health insurance sold by high-pressure companies can be easily detected by the informed consumer. Such companies use certain tricks which can provide clues for detecting their limited protection. Some of the most frequently used phrases are "up to" and "as high as" when describing benefits, when only one of the several benefits is equal to the maximum figures. They also often advertise that no medical exam is required, or that the health of the insured person is not a factor. In actual fact, health is a factor. Failure to list illnesses and physical conditions may give the company an escape route later when the insured person claims benefits.

How could you find out if insurance offered by mail is from a reputable company? (Call your Better Business Bureau, Chamber of Commerce, your union, your Family Service Agency.) If you don't understand what you read, get someone to help you determine whether the policy is worthwhile.

Pass out several mail-order insurance policy advertisements and have students look for flaws.

Unordered Merchandise

Sending out unordered merchandise with a request for payment is another dishonest way of getting business. Have any of you ever received something that you didn't order? What did you receive? What did you do? You are not in any way obligated to acknowledge receipt of unordered merchandise or tickets or anything else of value delivered to you or sent through the mail. Nor do you need to pay for or return it, provided you do not use it. Do not sign a "receipt" for unordered merchandise. It might easily be an installment contract. Never sign anything before you have read it or had someone else read it and are sure you understand what it says.

Subscriptions

Magazine and book subscriptions are another area where dishonest salesmen may try to take advantage of innocent buyers. Book clubs, record clubs, etc. should also be checked carefully before joining. Have you ever had a bad experience with any of these? What happened?

To protect yourself against dishonest salesmen, watch for the following selling traps either at your door, over the phone, or in a magazine or newspaper: [Use transparency, see p. 304].

> "Free" If a salesman tells you that you have a lucky phone number or that the publishers want to increase circulation and for that reason the subscription is free, keep your head. The offer may not be "free" at all. One frequently used trick is that you supposedly get "free" subscriptions to four magazines if--you will agree to pay the newsstand price for two others for one year. Newsstand price is always higher than subscription price, so you may really be paying more than the total subscription price to all six magazines! (Give example)
>
> "Survey" or "Research" Some salesmen begin by telling you they are conducting a survey or doing research in order to get you to listen. Always ask such callers for their credentials. And remember, legitimate poll takers do not try to sell you anything.

"Cancel any time" Don't believe you can cancel any time unless you see it in writing in the contract.

Appeals to sympathy A popular approach with magazine salesmen is to tell you that they are working their way through college and that you can help. Other salesmen claim that they are scholarship contestants or contestants for some prize, are helping a polio victim, and so on. Don't let these appeals to your good heartedness influence your decision. Know whether you really want and will use the books or magazines before you decide to buy.

"Only a few cents a week" This can be very misleading. Remember that pennies soon add up to dollars. What is the cost for one year? (Give examples and have students figure the cost per year.)

"You have been especially selected" If you have to pay, you haven't been selected for anything but a sucker or an easy take.

"Connected with school" If you are told that magazines or books are needed for your child's work in school, be careful. Check with the school to see if this is true before buying.

"Special price" A book salesman often says he can offer you a special price, provided you sign now. If the salesman won't give you time to check around to see if he is really offering a special price, chances are the so-called "special price" is not so special.

"Three volumes free with the purchase of..." Watch out! Chances are the price of the "free" volumes is included in the purchase price of the required purchase. Check around before you buy.

Have you heard any of these sales pitches? Which ones?

Bait and Switch

"Bait and switch" refers to a scheme in which an article is advertised at an attractive price to get the customer into the store. Once you are in the store, the salesman may refuse to sell the advertised merchandise. His excuse may be that they are out of the advertised merchandise, but he would be glad to show you something priced just a little higher. Or he may show you the advertised article, pointing out its poor quality, noisiness, etc., then offer to show you something better at a higher price. Or the merchandise may turn out to be second-hand, damaged, or shoddy. "While you are here, wouldn't you like to look at something else?" the salesman asks when he sees you are horrified at the sight of the advertised merchandise. The low price is just bait. The seller has no intention of selling the advertised article.

Sale

Learn when a "sale" is really a sale. Some stores have endless fire sales or closing-out sales or going-out-of-business sales that are not sales at all. Others do not reduce the price of their regular stock, but bring in merchandise of lower quality especially for the "sale." Some stores even mark prices up for their "sales." Beware of any store that has one sale after another!

Can you think of a store that never seems to do anything but have "sales"?

Do you think this would be a good place to trade? How can you be sure a "sale" is really a sale?

Use take-apart visual [see p. 308] to summarize these points.

APPLICATION: Have students role play examples of these situations. Suggestions for role play situations might include:
A housewife trying to say "no" to an aggressive door-to-door salesman.
A magazine salesman who phones a housewife and tries to sell her some magazines.
A bait and switch sales scheme.

DECEPTION

There are a number of deceiving practices that you as consumers should be aware of so you can better protect yourself. [Use handout, see p. 305]

Referral Plans

One type of hoax frequently played on consumers is called the "referral plan." These plans require the purchase of goods, but promise buyers bonuses for referring the company to friends who might buy the product. The bonuses, however, rarely are given. Meanwhile the buyer has signed an installment contract and must pay. Have any of you ever been offered this kind of deal? Did you get your discount?

Wholesale Prices

Unless you are in business for yourself it is unlikely that you will ever be able to buy anything wholesale. The wholesale price is the cost of an article to the retailer who buys in quantity. He adds to this price his markup for the costs of running his business and profits, thus arriving at his retail price.

"Free"

Free is a word that is frequently misused. All too often "free" doesn't turn out to be so "free" after all. For example, how "free" were the prizes in these advertisements of the same sofa bed? The ads were placed in the same newspaper over a period of several months.

April 1	- Modern Foam - Nylon Sofa Bed Free pool table with purchase	$130
April 20	- Modern Foam - Nylon Sofa Bed Free sewing machine	$130
May 15	- Modern Foam - Nylon Sofa Bed Free Polaroid camera	$ 77

June 10 - Modern Foam - Nylon Sofa Bed $ 30

Contests

Contests are a gimmick frequently used to attract buyers. Most contests sponsored by well-known stores are honest, but some contests have no winners, or winners must buy something in order to get their prizes.

> For example, Joan received a letter telling her that she had won a $50 discount on a sewing machine in a contest she had entered. On arriving at the store she noticed that the price on the sewing machine was extremely high. Joan figured she would be paying full price for the machine, even with the discount, so she turned down her "free prize."

Home Improvement Rackets

Home improvement rackets are frequently costly to homeowners. Believe it or not, Americans lose over $500 million a year to dishonest contractors in the fields of painting, building, roofing, siding, and related trades. A typical "con job" goes like this:

> A company advertising itself as a specialist in aluminum siding sends a representative to speak to a homeowner. He convincingly proposes that because of its ideal location, the company has chosen his home to be photographed to show the "before" and "after" appearance. The salesman promises that the company will pay the homeowner for the use of the photographs and that, in addition, it will pay a special bonus for every homeowner in the area who places an order for aluminum siding as a result of the advertisement. Very often he goes so far as to offer a further inducement such as 10,000 trading stamps in order to entice the homeowner to agree. If the homeowner falls for the scheme, the salesman then pulls out a big stack of papers which he says are nothing more than "authorization forms." In reality the papers consist of an installment sales contract with many carbon copies as well as a blank Trust Deed. The sad ending is that the company will probably never take any pictures and the homeowner has agreed to pay $4000 for the aluminum siding.

Another favorite trick frequently used with women or older people is the "scare" approach. This method is frequently used by dishonest repairmen who claim that something terrible is going to happen in your home if it isn't fixed right away. They then volunteer to do the repairs at an extremely high price. One example may be termite inspectors who may even go so far as to produce a termite-eaten board supposedly from underneath your house.

How can you avoid these costly rackets and be sure the merchants you deal with are honest? Here are some suggestions for being a wise consumer.

Before buying from any door-to-door salesman, find out if he is honest. If he is a stranger, ask him for his identification and then--

make a check of his local address.
check with the Chamber of Commerce, sheriff, city hall, or your local Better Business Bureau.

Before you sign a contract, compare the goods offered by the door-to-door salesman with those in stores.

Make certain you can get service on parts and equipment.

Get information before making buys, particularly when the purchase will involve a large quantity of money or where repeated buys will total large sums.

Read contracts before signing.

Remember that you are not required to pay for unordered goods you receive through the mail provided you do not use them.

Deal with honest merchants or servicemen.

Don't be afraid to say "no" to goods you do not need or want.

Listen carefully to the sales talk. What is the salesman really saying? What does he mean?

If you are "taken," report it to local authorities. You may not get your money back, but you may save someone else from getting hooked.

Report dishonest practices to the Better Business Bureau.

Beware of weight reducing, phony medical care, or other schemes received through the mail which appear dishonest.

Use take-apart visual [see p. 308] to summarize these points.

Role play situations similar to those given to help students practice detecting schemes and saying "no."

QUACKERY

Use transparency [see p. 306]. Which "doctor" would you think is the quack? What about the other one? How can you tell if he is honest? Can you always judge a person's honesty by his looks? [Use handout, see p. 307]

Medical and nutritional quackery is another large area of deception. A health phony doesn't reveal himself by the way he looks. Usually, he looks like a real doctor. He's kind and patient and usually has plenty of time to listen to your problems. While there's no sure rule for detecting a quack, if you must answer "yes" to any of the following questions, you should probably beware.

(1) Does the "doctor" use a special machine or "secret" remedy available from no one else that he claims will cure diseases?

(2) Does he say the medical profession is against him and has been trying to suppress his wonderful discovery? (This is one of the surest signs.)

(3) Does he say that surgery, X-rays, and drugs will cause more harm than good?

(4) How did you hear about the remedy--or the "doctor"? Was it through an advertisement? (Real doctors do not advertise and most drug companies rely on doctors to prescribe their medicines to patients who need them.)

(5) Are testimonials from "cured" patients prominantly displayed? (You have only his word to support the fact that they were sick when they first came to him.)

(6) Can you buy the remedy through the mail? (Have you seen or heard about any of these things in a magazine, or newspaper or on the radio: Dental plates or eyeglasses by mail order, advertisements which promise to cure arthritis, cancer, epilepsy, diabetes, high blood pressure, kidney and bladder ailments, or ulcers with special treatments, medicines, or diets? More than likely these advertisements are entirely false. Using cure-all products instead of seeing a qualified doctor may lead to additional problems or even death.)

Listen to the following examples:

George Smith was a husky construction worker. He had never missed a day's work because of illness. His company required routine physical examinations each year. During an examination, the doctor discovered a tumor in his shoulder and sent George to a specialist. The specialist told him he must have a serious operation at once to save his life. Shocked, George refused. How could serious surgery be necessary when he was only 25 and felt great? A few days later a friend recommended a "healer" who said he could cure George without an operation by using special treatments. A year later and several months after the pain in his shoulder became severe, George admitted that he might have made a mistake. He went back to his doctor and told him he was ready for the operation. The surgeon agreed to operate, but he had to tell George that now it was probably too late.

Then there was little Julie, who woke one night with terrible pains in her stomach. Her grandfather suggested that they take her to a "doctor" who could make aches disappear by twisting one's head and giving the spine a good jolt. The "doctor" knew all about Julie's trouble, all right. He used his vibrator and worked with her for a long time. His bill was high but Julie's pains had disappeared so her family thought it was worth it. Hours later, however, her temperature rose higher than it was before and she cried in pain. Finally, the family rushed her to the hospital. Julie's appendix was ruptured and it was almost two weeks before she was out of danger.

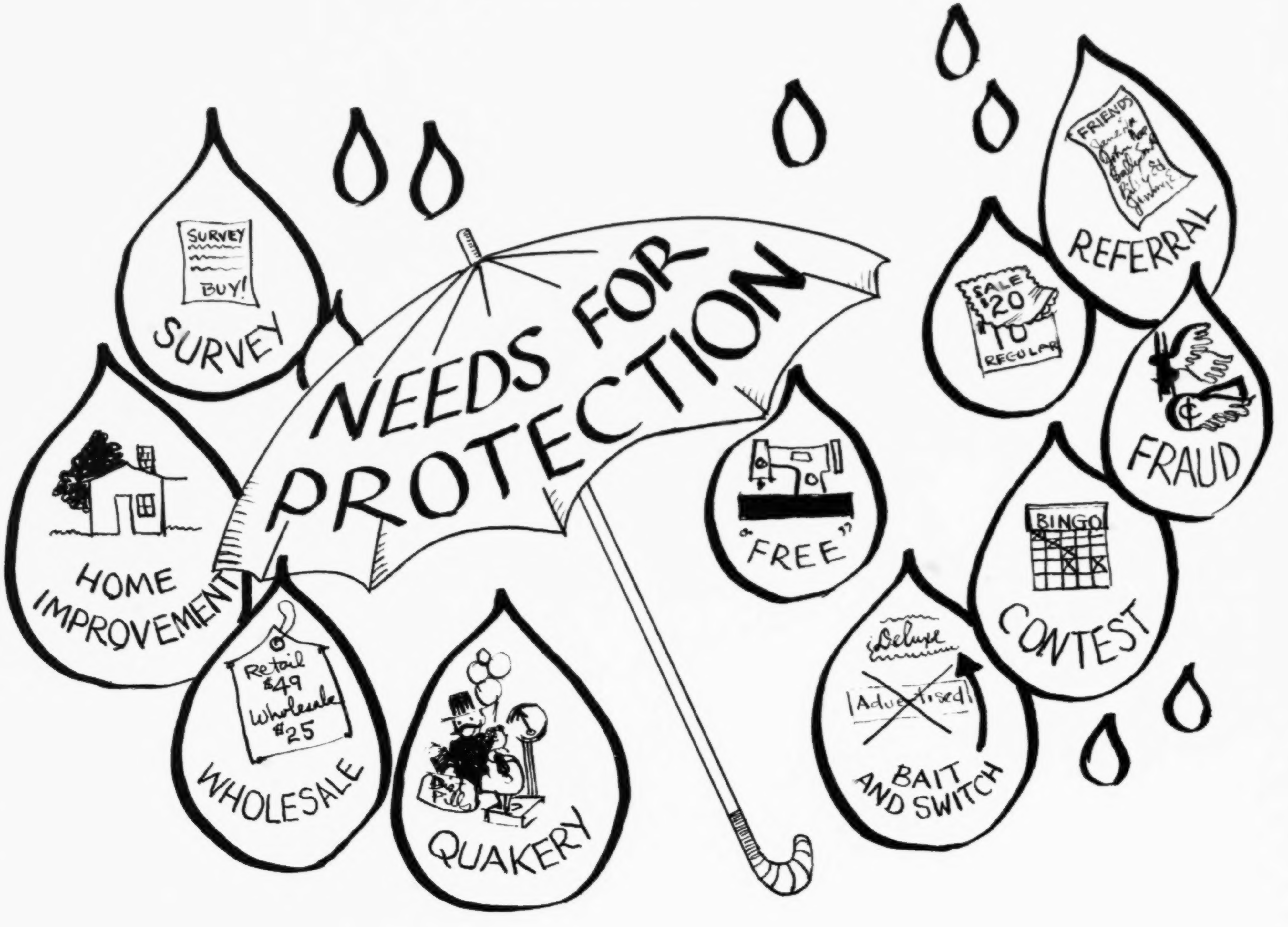
Why do you think people go to quacks like these when for the same money they could be getting the services of a real doctor?

What could the people in the examples have done to avoid these quacks?

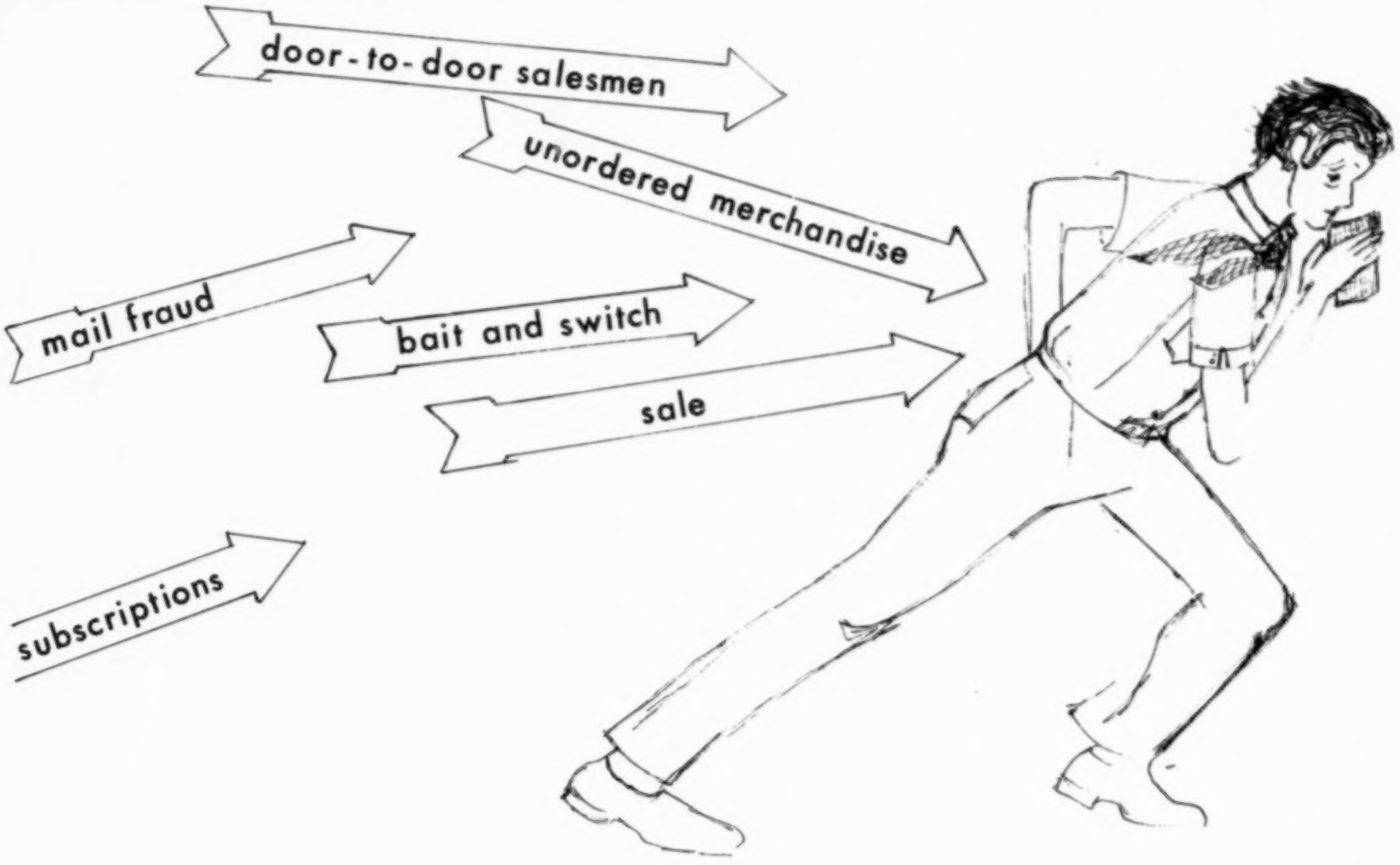
Use take-apart visual [see p. 308] to summarize these points.

APPLICATION: Bring some ads that are examples of some of the things we talked about today to our next class meeting. Suggest that students share the handouts with friends and neighbors, so they can avoid being taken, too.

KEY IDEA: Understanding of fraud, quackery, and deception aids the consumer in protecting himself in the market place.

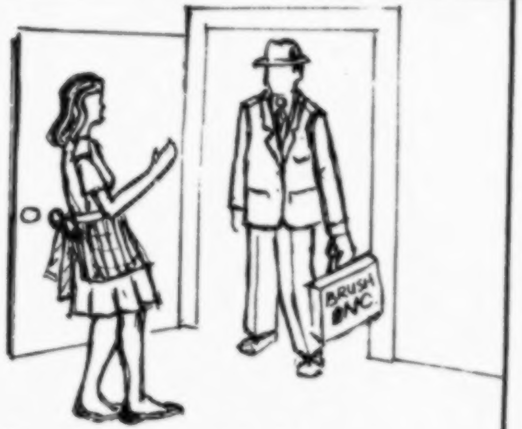

NEEDS FOR PROTECTION
SURVEY
BUY!
SURVEY
HOME IMPROVEMENT
Retail $49
Wholesale $25
WHOLESALE
QUAKERY
"FREE"
Deluxe
Advertised
BAIT AND SWITCH
BINGO
CONTEST
FRAUD
SALE $20
10
REGULAR
FRIENDS
REFERRAL

RUN FOR YOUR POCKETBOOK

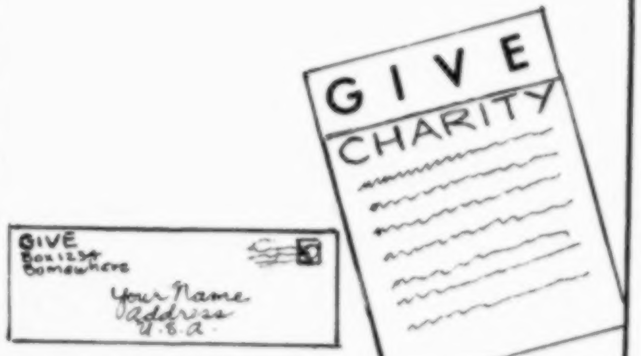


door-to-door salesmen
unordered merchandise
mail fraud
bait and switch
sale
subscriptions

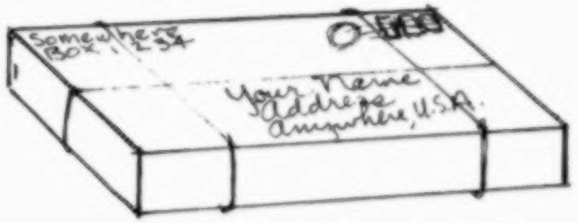
FIGURED FOR FRAUD



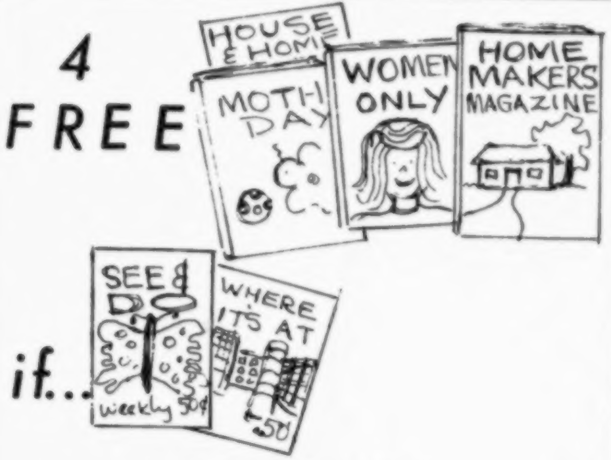
Door-to-door Salesmen
What's his lead? What promises does he make? What's the price? the quality? Check his address. READ BEFORE YOU SIGN!


GIVE
Box 1234
Somewhere
Your Name
Address
U.S.A.
GIVE
CHARITY

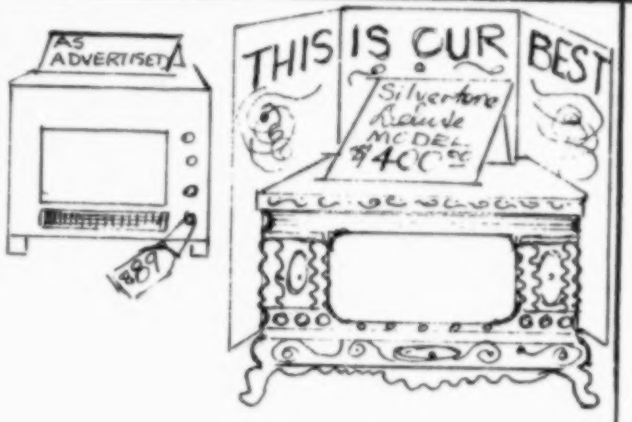
Mail Fraud
Who's it from? What must I do? How much will it cost? How good is it?


Somewhere
BOX 1234
Your Name
Address
Anywhere, U.S.A.

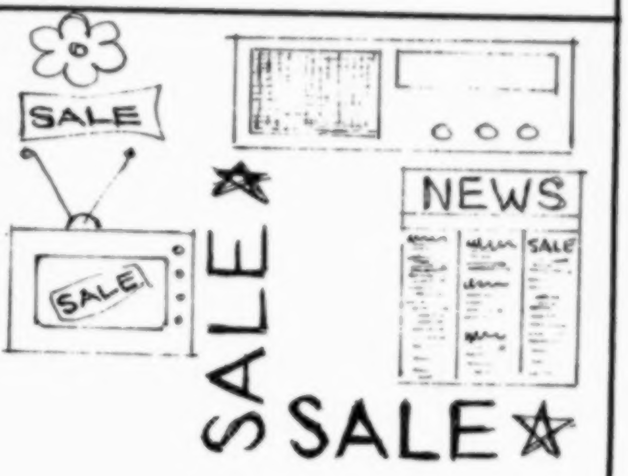
Unordered Merchandise
Did someone in your family order it? You don't have to pay for it or return it, if you don't use it.


4
FREE
if...
HOUSE & HOME
MOTH DAY
WOMEN ONLY
HOME MAKERS MAGAZINE
SEE & DO
weekly 50¢
WHERE IT'S AT
50¢

Subscriptions
What's the catch? How much will it cost in all? REMEMBER--FEW THINGS ARE REALLY FREE!

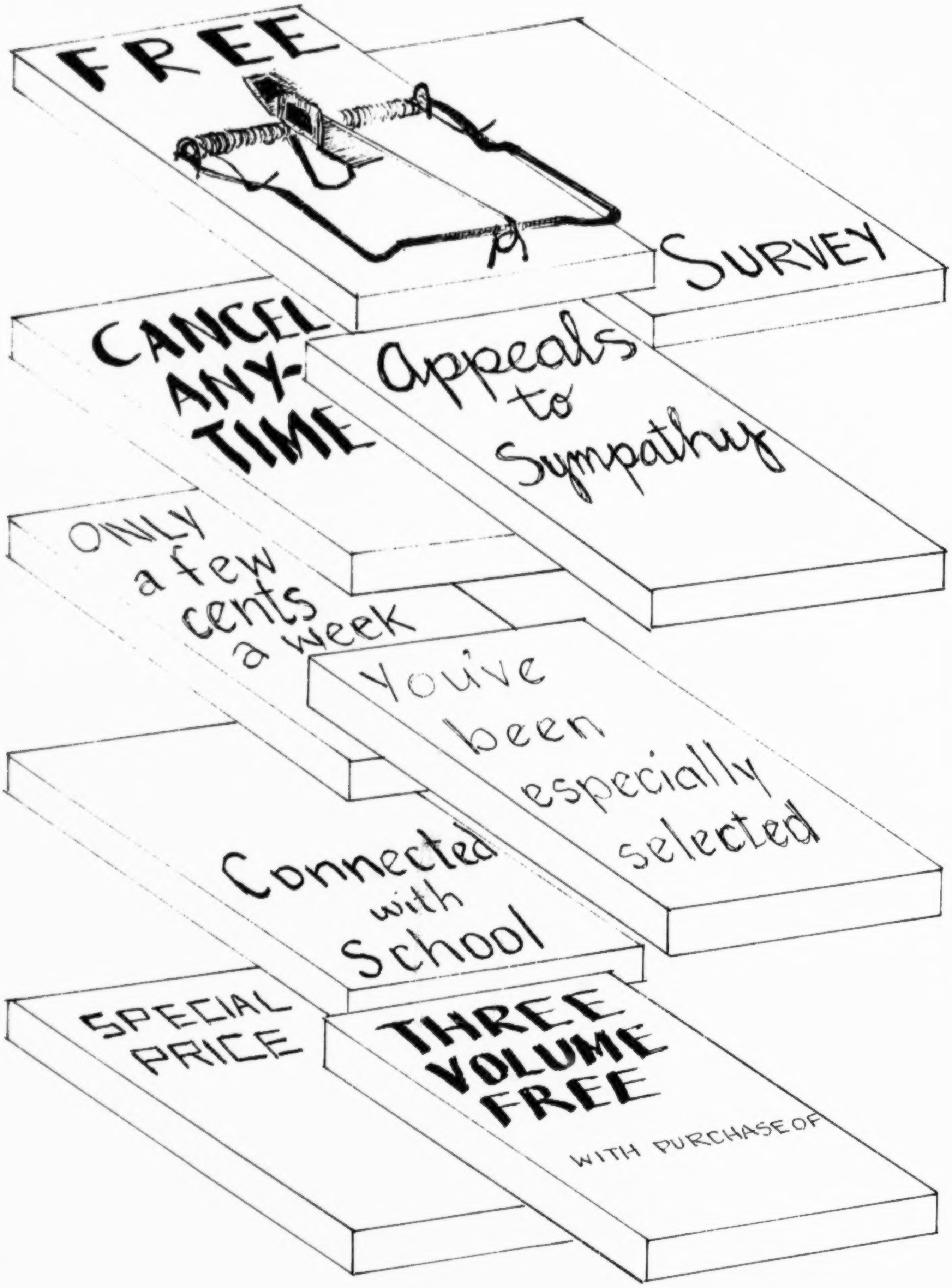

AS ADVERTISED
$89
THIS IS OUR BEST
Silvertone Deluxe
MODEL
$400.00

Bait and Switch
Is merchandise really for sale? Does salesman try to show you something higher priced or critize the sale item?

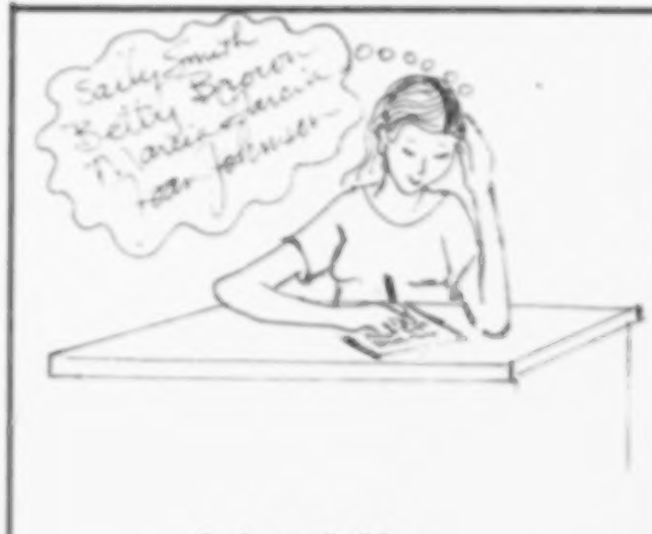

SALE
SALE
NEWS
SALE
SALE
SALE

Sale
Is it really a sale? How do prices compare with those in other stores? What about quality?

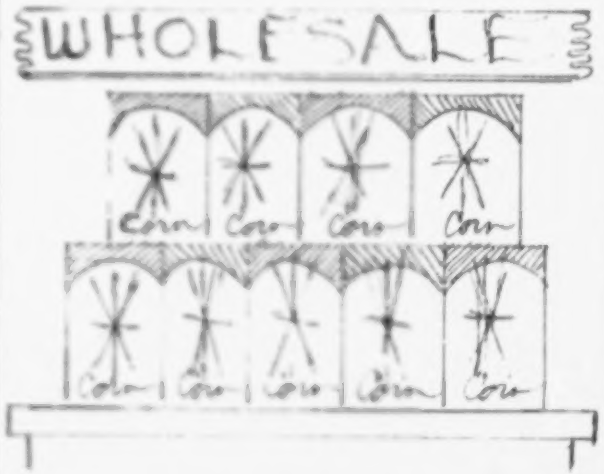
Watch Out For These Traps


FREE
SURVEY
CANCEL ANY-TIME
Appeals to Sympathy
ONLY a few cents a week
You've been especially selected
Connected with School
SPECIAL PRICE
THREE VOLUME FREE
WITH PURCHASE OF

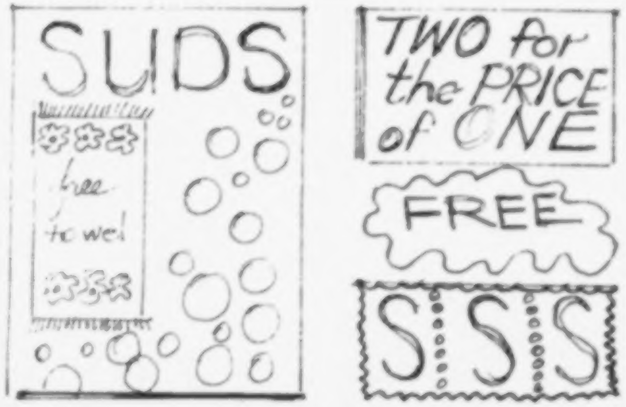
DESTINED TO DECEPTION


Sally Smith
Betty Brown
Jean Johnson

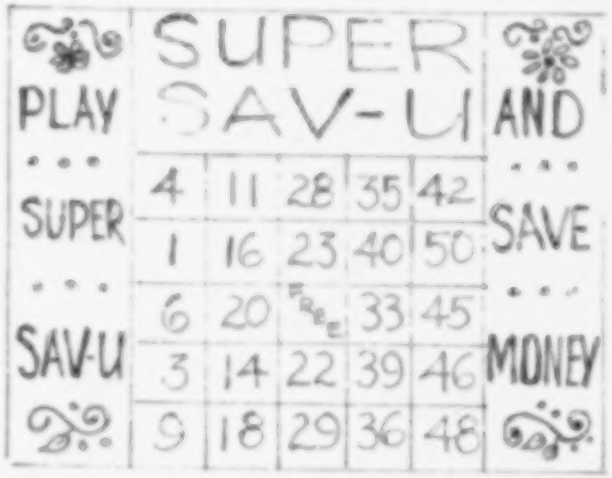
Referral Plans
Are you promised a discount if friends whose names you give buy?


WHOLESALE
Corn
Corn
Corn
Corn
Corn
Corn
Corn
Corn
Corn

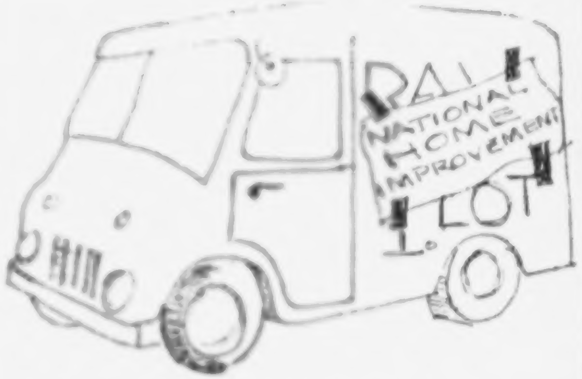
Wholesale Prices
If the seller is a retailer, he can't sell wholesale.


SUDS
free towel
TWO for the PRICE of ONE
FREE
S S S

Free
Remember--few things are really "free."

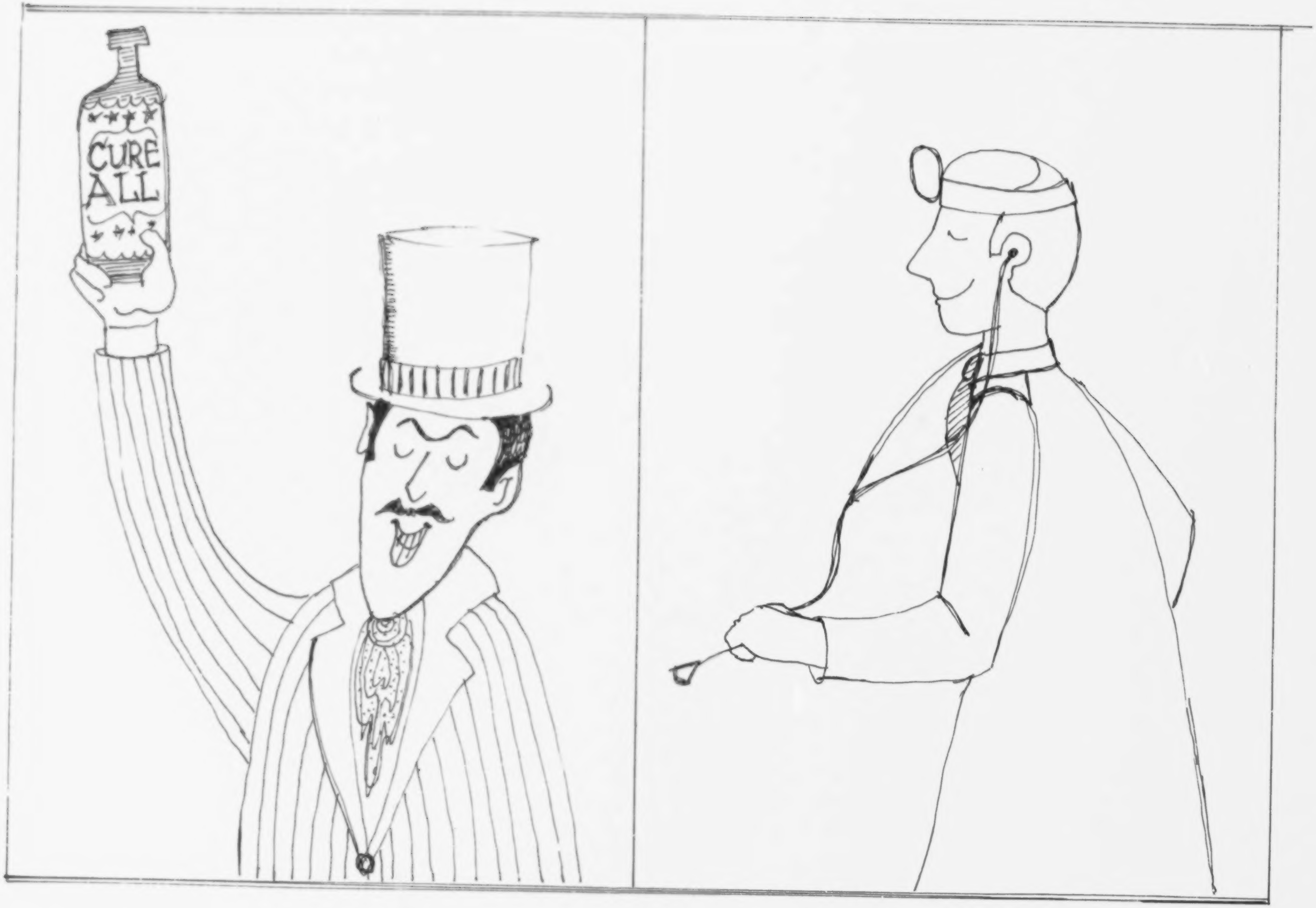

PLAY
SUPER
SAV-U
SUPER SAV-U
AND
SAVE
MONEY
4 11 28 35 42
1 16 23 40 50
6 20 FREE 33 45
3 14 22 39 46
9 18 29 36 48

Contests
Who were the winners? Do you have to buy something in order to get your prize?

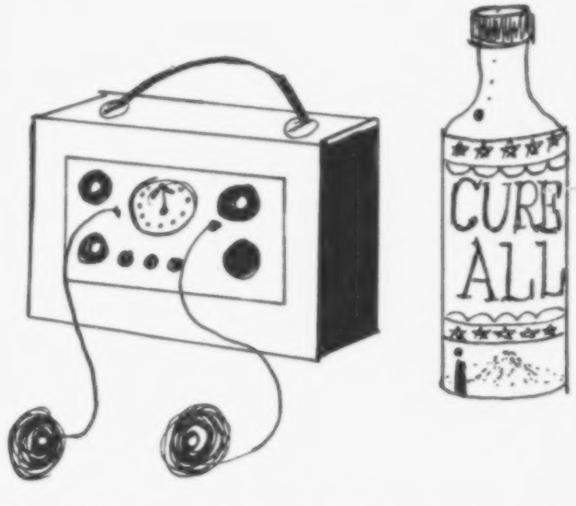

NATIONAL HOME IMPROVEMENT
LOT

Home Improvement Racket
Are you promised free stamps, payment for using your home for advertising purposes? Does the repairman use the scare approach? READ BEFORE YOU SIGN!

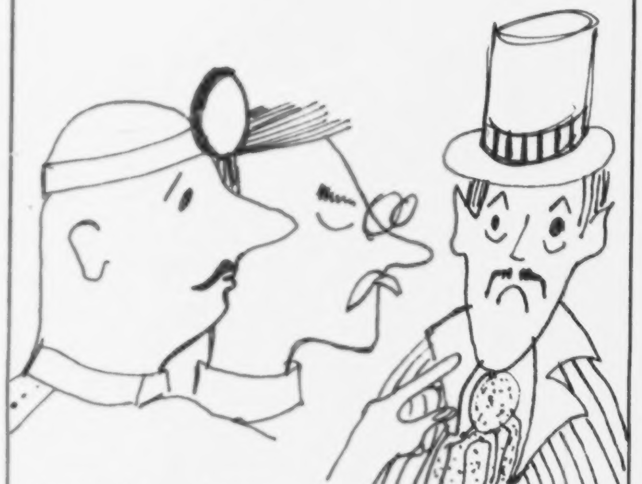
BEWARE OF THESE


CURE ALL

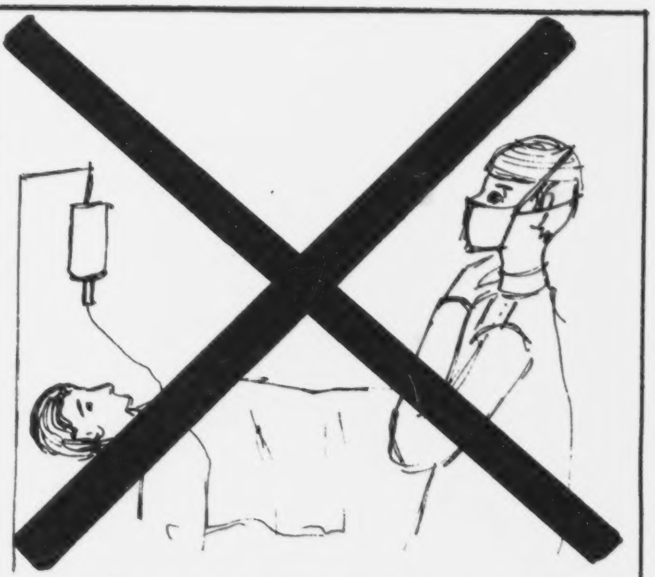
CUES TO QUACKERY



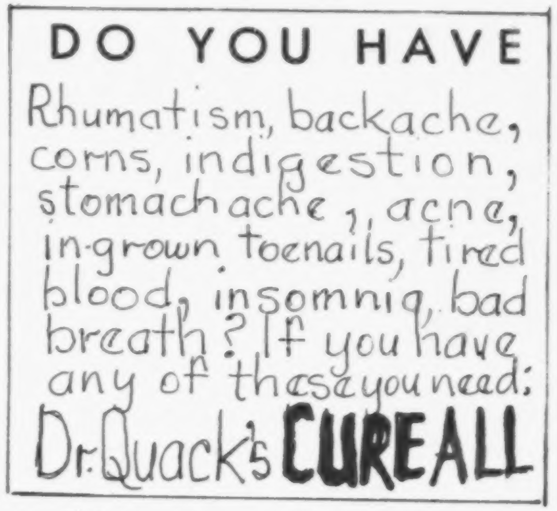
Does he use a special machine or "secret remedy"?



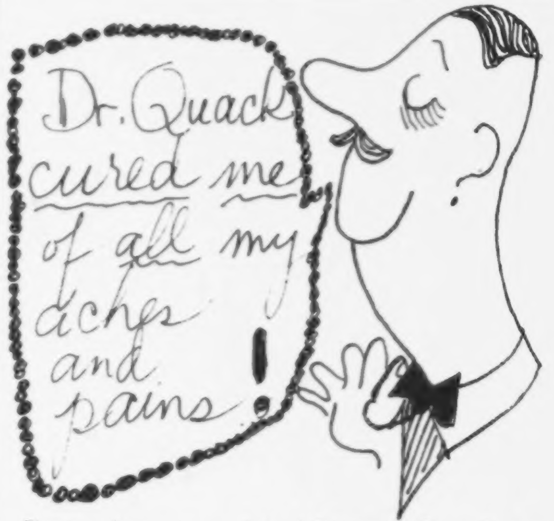
Does he claim that the medical profession is against him?



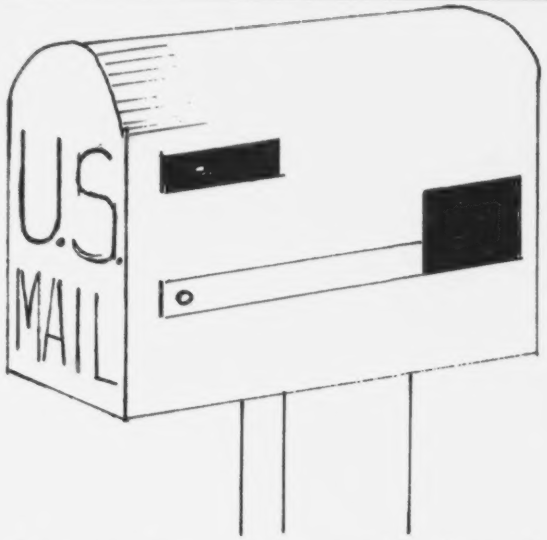
Does he say surgery and X-rays and drugs are bad?


DO YOU HAVE
Rhumatism, backache, corns, indigestion, stomachache, acne, in-grown toenails, tired blood, insomnia, bad breath? If you have any of these you need:
Dr. Quack's CUREALL

How did you hear about the remedy or the doctor? REAL DOCTORS DO NOT ADVERTISE!

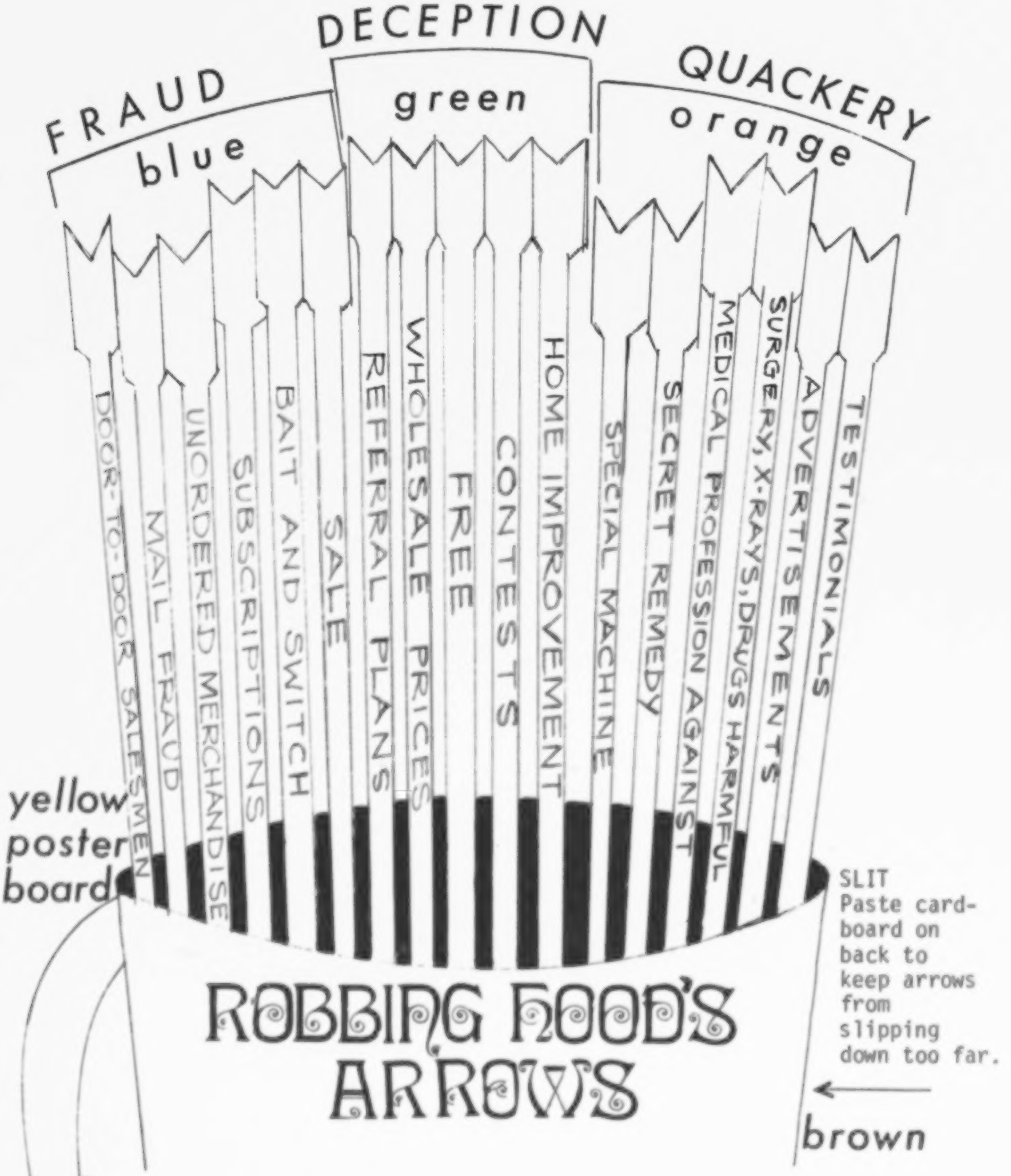

Dr. Quack cured me of all my aches and pains!

Does he use testimonials from "cured" patients?



Can you buy the remedy through the mail?

Don't Be Shot By These Arrows!


DECEPTION
green
FRAUD
blue
QUACKERY
orange
DOOR-TO-DOOR SALESMEN
MAIL FRAUD
UNORDERED MERCHANDISE
SUBSCRIPTIONS
BAIT AND SWITCH
SALE
REFERRAL PLANS
WHOLESALE PRICES
FREE
CONTESTS
HOME IMPROVEMENT
SPECIAL MACHINE
SECRET REMEDY
MEDICAL PROFESSION AGAINST
SURGERY, X-RAYS, DRUGS HARMFUL
ADVERTISEMENTS
TESTIMONIALS
yellow poster board
ROBBING HOOD'S ARROWS
brown

SLIT
Paste card-board on back to keep arrows from slipping down too far.

TO MAKE VISUAL

Materials Needed:

1 sheet each of yellow, blue, green, and orange posterboard
Brown construction paper
Construction paper and/or black felt-tipped marking pens for lettering
Glue
Razor blade

Instructions:

Cut quiver from brown construction paper.
Glue in center of yellow poster board.
On quiver print, "Robbing Hood's Arrows."
Cut a slit along the lower lip of quiver to hold arrows.
On back glue scrap of cardboard to keep arrows from slipping too far down. (Be sure to leave space unglued to hold points of arrows.)
Cut arrows from blue, green, and orange posterboard as indicated on p. 308.
Use marking pen to print on arrows as indicated on p. 308.
Above each group of arrows print or paste letters from construction paper for the words FRAUD, DECEPTION, QUACKERY.
Title visual: Don't Be Shot by These Arrows!

UNIT X: PROTECTING
X-2. Is That a Fact?

OBJECTIVES:

- To explain in own words what is meant by label or package information
- To apply information of labels or packages to making buying decisions
- To apply criteria for determining deceptive practices to several advertisements
- To relate standards or grades to intended use
- To define standards and warranties
- To evaluate the information included in guarantees

VOCABULARY: Labels Fictitious pricing Deception Standards
Grades Warranty Guarantee

LABELS

Label, Label on the can,
Tell me so I'll understand
What's inside, how much, and more
Or _I_ will buy another brand.

Labels are probably the most important and helpful buying guide available to consumers. The law requires that labels tell the consumer what he is getting. Labels must be truthful and they must be clear. They sometimes also tell us how to use and care for a product and how to guard against possible misuse. We can understand, then, why the wise shopper always reads the label.

What must a label tell you? Use transparencies [see pp. 315-317] to point out each part on sample labels. It must always list the following information:

- The common or usual name of the product. (Like green lima beans)
- The amount of the contents (Like 1 lb. 2 oz. or 18 oz.)
- The name and place of business of the manufacturer, packer, or distributor. (like Canners Inc.)
- The label on any food (except standardized foods) made of more than one ingredient must list each ingredient by its common name and in order of its predominance in the food. (Like water, noodles, chicken, salt in chicken-noodle soup)
- Any artificial coloring, artificial flavoring, or chemical preservatives must be listed, except when used in butter, cheese, or ice cream.
- If vitamin content is printed on the label, the label must also state the percentage of the minimum daily requirement of the vitamin that a reasonable daily amount of the food will furnish.
- If other value as a special dietary food is claimed, the label must give the information necessary for the intelligent use for that special dietary purpose.
- The label on some canned fruits and vegetables must list the style

or pack (whole, diced, etc.), the variety (white or yellow corn, for example), and the packing medium (brine, oil, sugar, syrup, etc.).

If the food does not meet certain established standards, this fact must be clearly stated on the label (over-ripe, irregular pieces).

In addition, the container must not be misleading. Even though the correct quantity of the contents is on the label, the product must fill the package.

APPLICATION: Give students handout [see p. 318] and labels from cans or boxes of foods. Ask them to find each of these required parts. Let students explain in their own words how they could use this information in deciding which brand to buy.

MISLEADING ADVERTISING

Advertising affects our shopping practices in today's world. Without it we would be at a loss. What does an advertisement tell you? It tells you who sells the items you want, describes or pictures them, or both, and states their prices. It also introduces us to new merchandise and keeps us informed about what is available.

But does advertising always tell you the truth? No, sometimes advertising is dishonest, false, and deceptive. Advertising is false or misleading if it is not completely honest in every way. For example, one refrigerator manufacturer claimed his refrigerator had been tested and found superior to other makes when, in truth, the tests did not show this to be true.

A common form of deception in advertising is known as "fictitious pricing." This is a way of advertising so that consumers are led to believe the seller has reduced his price. For example, one store advertised dresses for "$9.95 marked down from the regular price of $13.98." The regular retail price of the dress was only $9.95.

How can you avoid being "taken" by these dishonest advertising claims? Shop around. Know your prices. Analyze advertising claims carefully. Be wary of such terms as "unbelievable savings," "fantastic price reductions," and "all items at wholesale price."

Every consumer needs to learn to recognize when a bargain is really a bargain. Here are some clues. [Use instant slides, see p. 319] If the advertisement refers to the previous selling price as regularly, usually, formerly, was, or were, this may indicate a cut in the seller's own normal or regular price. If you see the word originally in an advertisement, you know that at one time this was the seller's price, but that it may have been marked down several times since then.

If the advertisement refers to a $20 value; list, suggested, or retail price; or says the article was pre-ticketed at this price, you know this is the price at which you could buy the same article at other stores in the area. If the advertisement refers to the price of a comparable value or says compare at $20, then you know that this article is similar to, but not exactly like, articles sold in other stores in the area. Advertisements which say Save $20 or Save 25% should be based on the seller's own regular selling price.

Advertisements which include free offers and two-for-the-price-of-one sales should disclose all terms and conditions for the sale. Be sure that the regular price has not been increased to include the price of the "free" offer or that the quality or quantity of the article has not been reduced to include the free offer.

Beware of advertisements of wholesale or factory prices. These are frequently dishonest. Watch for the words seconds, imperfects, or irregulars in an advertisement. This means there is something wrong with the merchandise and you should check before buying to be sure that the imperfection will not affect the use of the article.

APPLICATION: Distribute newspaper advertisements for class members to evaluate in small groups. Ask them to look for words like the ones just discussed.

STANDARDS AND GRADES

What is a food standard? It is something like an official recipe for a certain food. It means that all brands of a standardized food must contain the important ingredients the consumer is entitled to expect in the amount or proportions expected. Many basic foods have been standardized by government regulations.

What do standardized foods do for you? If a food is standardized, this means that no matter which brand of that food you buy, you will be sure you are getting the same food value for your family. Different brands may vary as to flavor, texture, or some other factor controlled by optional ingredients permitted by the standard.

How will knowing that a food is standardized help you when you shop? Since you are sure that all the brands available will be equally nutritious for your family, you know that you will be safe if you choose the least expensive buy. Sometimes you may prefer the flavor of one particular brand, but it still is nice to know that the basic ingredients and nutritional quality of all brands are the same. Examples of standardized foods are macaroni, noodles, mayonnaise, and salad dressing. This kind of standard is called a standard of identity. (Show examples of some of these foods.)

Minimum standards of quality also have been set for most canned fruits and vegetables to assure that the quality will not fall below what buyers have a right to expect. A standard of quality would assure you that the peaches you buy in a can will not be badly bruised, or that the green beans will not be damaged by rust spots. If the quality of a food falls below the minimum required by the standard, special labeling must tell the purchaser of this fact. An example would be peaches which are over-ripe and in irregular pieces. (Show examples of some of these foods.)

Another kind of standard is called standard of fill. This means that you should not find a large can of tuna which contains more oil than tuna. It also means that you can be sure of getting about the same amount in each can you open. Standards of fill have been set for foods such as canned shrimp and oysters, canned tuna, and a number of canned fruits and vegetable products. (Show examples of some of these foods.)

The quality of some food products is indicated by a grade label. Beef, lamb, butter, poultry, and eggs are the products most likely to carry the USDA (United States Department of Agriculture) grade shield. Usually the food also has a grade given to it--such as U.S. Grade A or AA, or (for meat) U.S. Choice--which means it measures up to a definite standard of quality, as determined by a government grader who has examined it. You can be sure that it is clean and wholesome.

Show grades for different foods and grade tags from foods, using transparency [see p. 320].

One important thing to know about food grades is that different grades do not differ in food value. All grades are equally nutritious. Meat grades, for example, indicate only such characteristics as tenderness, juiciness, and flavor. Low grades take longer to cook; high grades cost more to buy. But remember all grades provide the same amount of food value. Canned fruits and vegetables are graded on the basis of their size, color, and degree of ripeness. All grades are equally wholesome.

How, then, do you decide which grade to buy? First, decide how the product will be used. Then you will know which grade to buy. If the appearance of the product is most important, as when you use peaches in a salad, a high grade is a good choice if you can afford it. If peaches are to be cut up or mashed, a lower grade would be a good choice, and would cost less. All grades are equally nutritious, however.

What grades would you buy if you wanted to save money on your food budget? (The lower ones.) Why? (They are cheaper.)

APPLICATION: Let students compare several grades of the same food so they will understand the differences between them.

WARRANTIES AND GUARANTEES

What are warranties and guarantees? They are promises made by a seller or his authorized agent concerning the quality or performance of merchandise. There are two types of warranties: express and implied.

An express warranty is an oral or written guarantee of a specific quality or performance feature. For example, a seller makes an oral promise that a skirt is washable, colorfast, and shrink-proof. You buy the skirt, and at the first washing it fades and shrinks out of shape. The seller is responsible for the express warranty and must refund your money or give you another skirt. Since oral guarantees may be difficult to prove, written guarantees are preferable. When buying goods, it is a wise policy to look for labels or tags that state the manufacturer's or retailer's claims for the product. Here are examples of written warranties. [Use transparency, see p. 321]

An implied warranty is a guarantee of the degree of quality or fitness that the buyer has a legal right to expect. This type of warranty does not have to be written down or stated orally. There are several types of implied warranties including: (1) The seller has a right to sell the product. (2) The buyer has a right to buy it and will receive full title to the goods. (3) The buyer has the right to trust the seller's judgement of the suitability of goods for the purpose intended. (For example, if you asked for rust proof nails to use in reroofing your house, you have a right to expect the seller to sell you only rust-proof nails since you could not identify them yourself.) (4) The buyer also has a right to expect the food and drugs he buys to be fit for human consumption. (5) The buyer has a right to expect the things he buys, but cannot evaluate himself, such as a radio with complex parts, to work as they are intended to do. (6) If a buyer agrees to purchase something, the goods he receives must be exactly the same ones he agreed to buy. (7) Or if he chooses goods from a sample, such as carpet, the goods he receives must be like the sample.

APPLICATION: Distribute or prepare transparencies of additional guarantees and discuss adequacy of information included in the guarantee.

KEY IDEAS:
Knowledge of labeling and packaging practices aids the consumer in determining the best buy.
Ability to analyze advertisements leads to improved buying decisions.
Knowledge of standards and grades aids the consumer in making choices suitable for intended use.
Knowledge of guarantees and warranties aids the consumer in protecting himself.

Packing medium

Ingredients

To serve hot
remove to
saucepan and heat

★

A Quality
Product made
in F&V's
own modern
GOLD AGE
Food Kitchen

pork and

BEANS

IN TOMATO SAUCE

Net Wt. 1 Lb.

GUARANTEED BY
LADIES
MAGAZINE

★

The Great
Fruit &
Vegetable
Company
NY, NY
Distributor

GOLD AGE
PORK & BEANS IN TOMATO SAUCE

The contents of this can are made of pea beans, the best variety for this product, cooked in a savory tomato sauce, with pork, and spiced just right.

THIS CAN OF GOLD AGE BEANS IS:

Variety--with tomato sauce and pork

Size--Medium pea beans

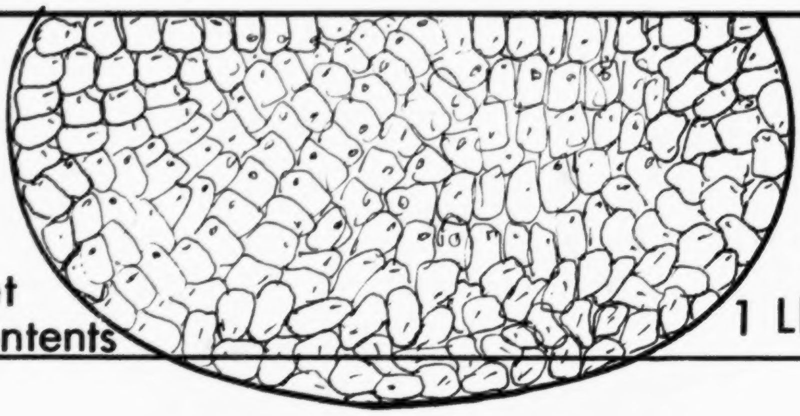
Contents-- 1 lb.

Servings--2 or 3

TENDER COOKED

Common or usual name

Amount of Contents



net contents

BEST
CANNER'S
QUALITY

1 Lb. Avoir.

CANNER'S
whole kernel
GOLDEN CORN

CANNER'S food facts

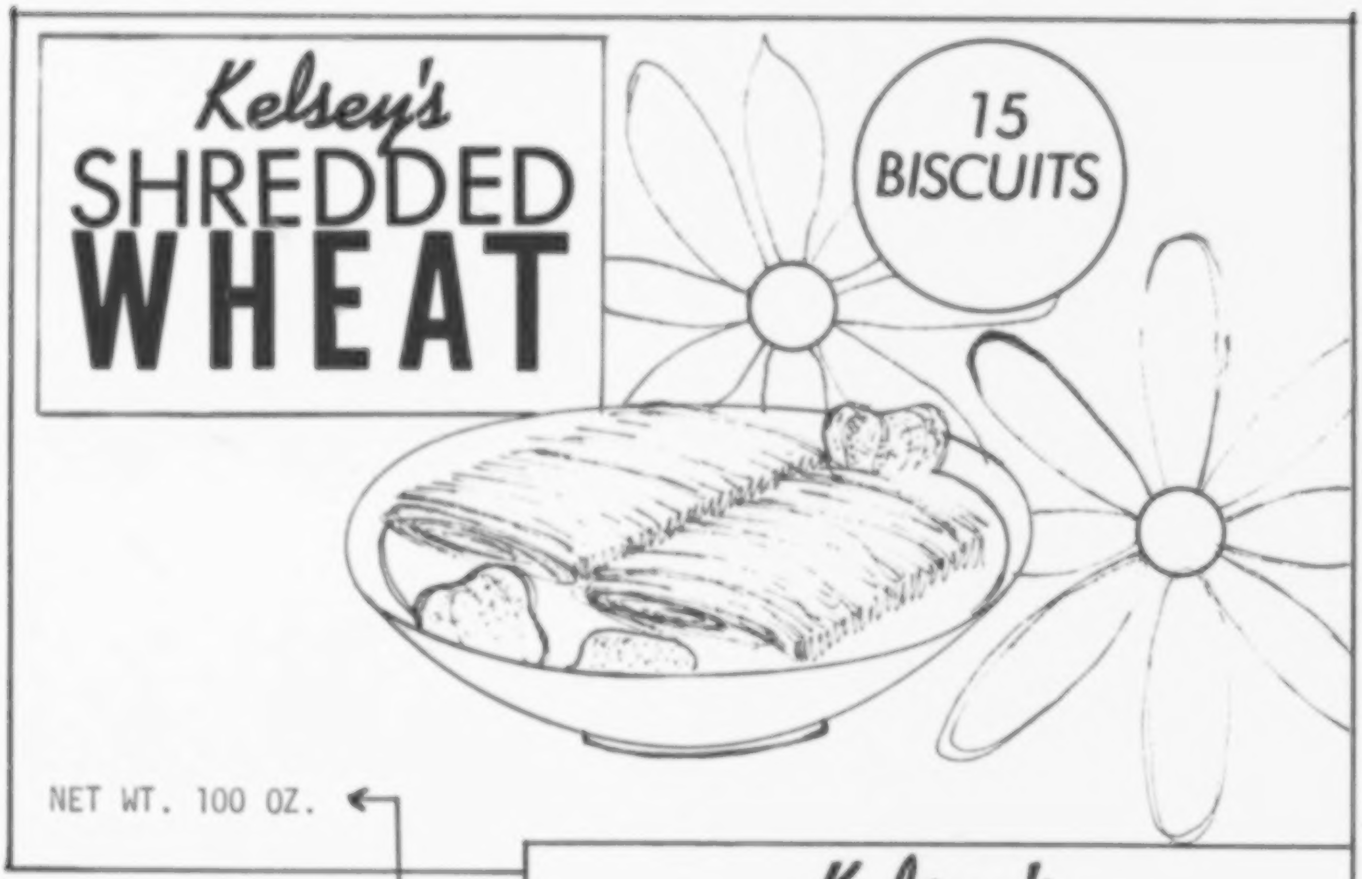
REG. U.S. PAT. OFF.

Product name → Grade A (Fancy) Whole Kernel Golden Sweet Corn

CANNER'S Whole Kernel Sweet Corn is garden fresh, flavorful, and delicious. Kernels are young and tender, yet well developed with tempting natural golden color.

Serve the contents of this can piping hot with a generous amount of butter. For variety combine CANNER'S Whole Kernel Corn with delicious CANNER'S Lima Beans or CANNER'S Green Beans for new taste treats.

Variety →	Variety	Golden Sweet
Style →	Type	Whole Kernel
Ingredients →	Seasoning	Sugar and Salt Added
	Size of Can	303
Amount of Contents →	Contents	1 lb.
	Cups	Approx. 2
	Servings	4



Amount of contents

Product name

Kelsey's
Shredded
WHEAT

100% WHOLE WHEAT

Dietary claim

NOTHING TAKEN AWAY
NO SALT ADDED
Ideal for Low Salt Diets
Each biscuit contains 70 calories.

Vitamin content

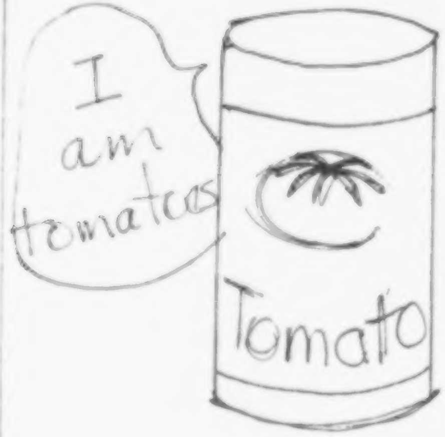
Chemical preservatives

Two bowl-size biscuits provide this share toward minimum daily adult requirements: 16% Phosphorous, 12% Iron, 13% Niacin. 100 grams of Kelsey's Shredded Wheat Biscuits contain 1 milligram of sodium, and two Kelsey's Shredded Wheat Biscuits contain 1 milligram of sodium. BHT added to packaging material to preserve product freshness.

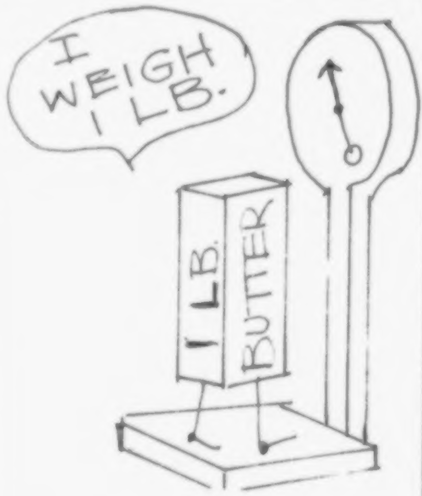
Name and address of manufacturer

MADE BY KELSEY COMPANY
SOMEWHERE, MICH. 49076, USA

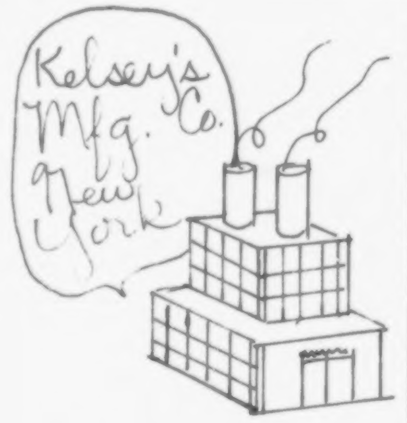
LOOKING at Labels


I am tomatoes
Tomato

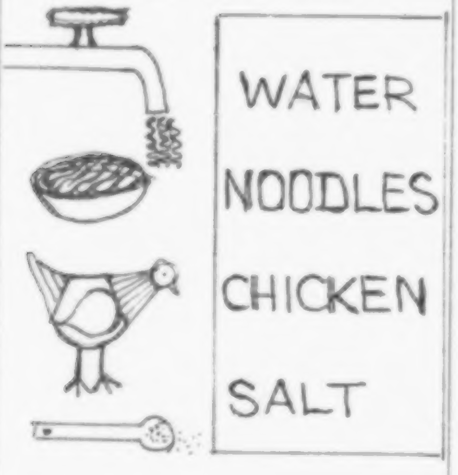
Common or usual name


I WEIGH 1 LB.
1 LB. BUTTER

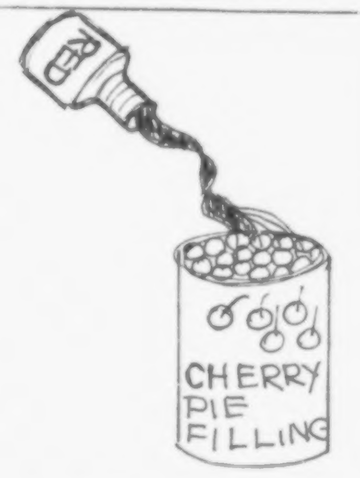
Amount of contents


Kelsey's Mfg. Co. New York

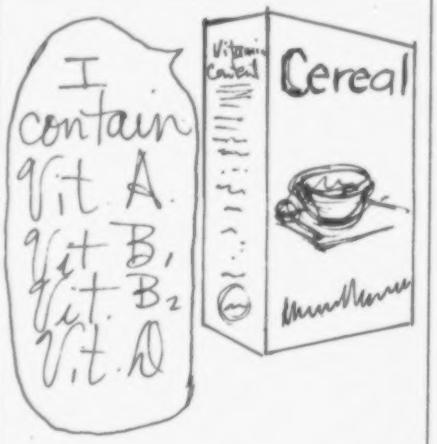
Name and address of manufacturer, packer, or distributor


WATER
NOODLES
CHICKEN
SALT

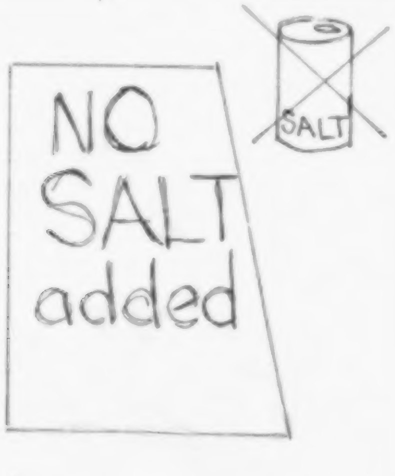
Contents


RED
CHERRY PIE FILLING

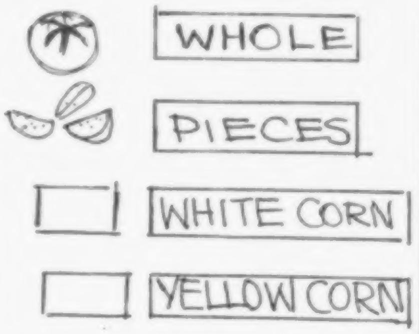
Artificial coloring, artificial flavoring, or chemical preservatives


I contain Vit. A. Vit. B1 Vit. B2 Vit. D
Vitamin Content
Cereal

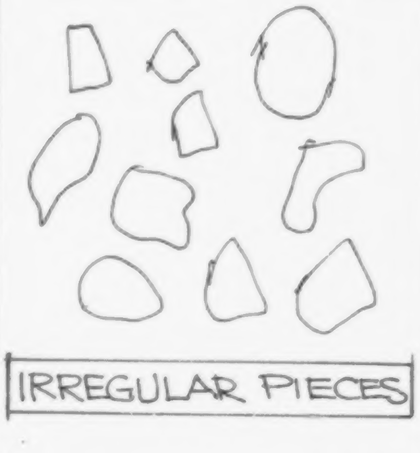
Vitamin content


NO SALT added
SALT

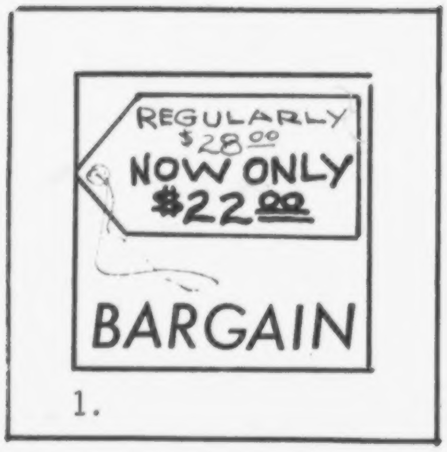
Dietary information


WHOLE
PIECES
WHITE CORN
YELLOW CORN

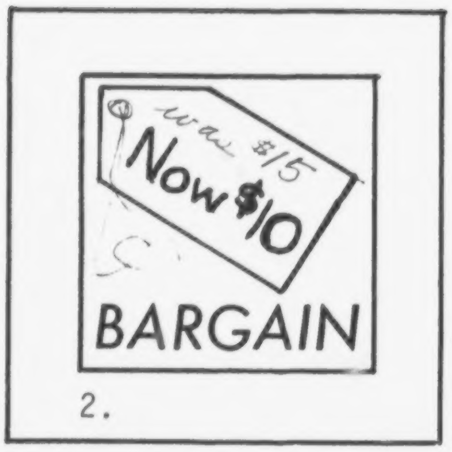
Style or pack, variety or packing medium


IRREGULAR PIECES

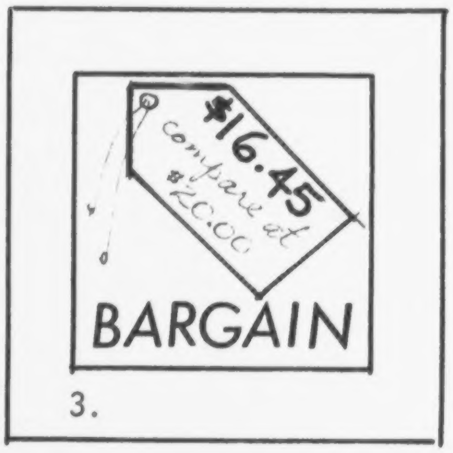
Failure to meet standards


REGULARLY
$28.00
NOW ONLY
$22.00
BARGAIN

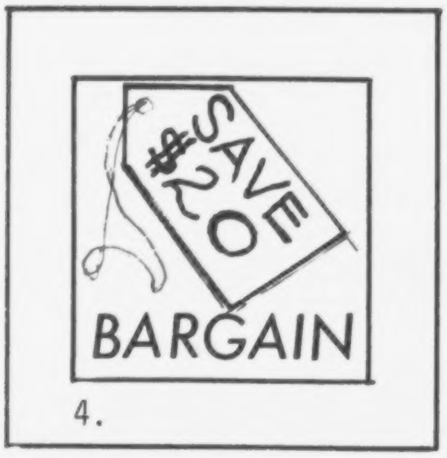
1.


was $15
Now $10
BARGAIN

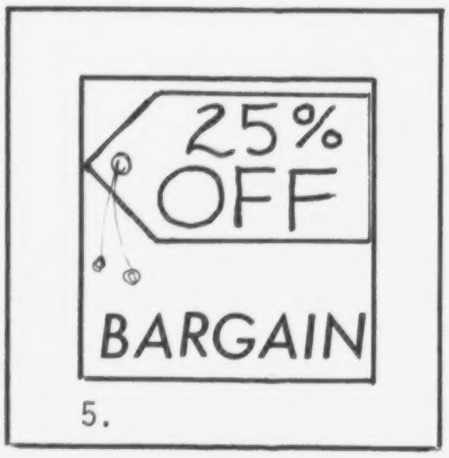
2.


$16.45
compare at
$20.00
BARGAIN

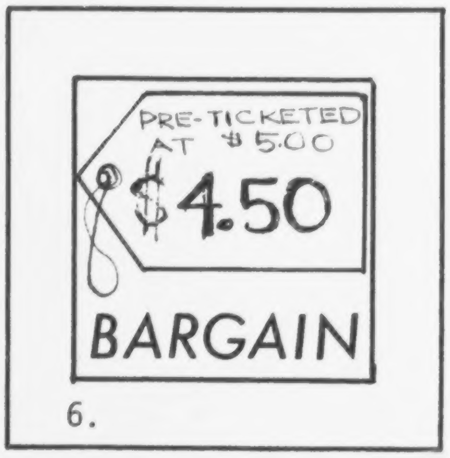
3.


SAVE
$20
BARGAIN

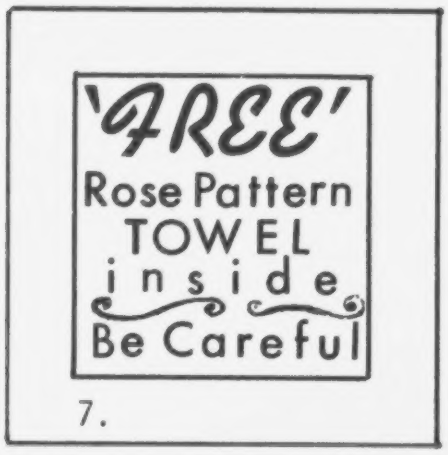
4.


25%
OFF
BARGAIN

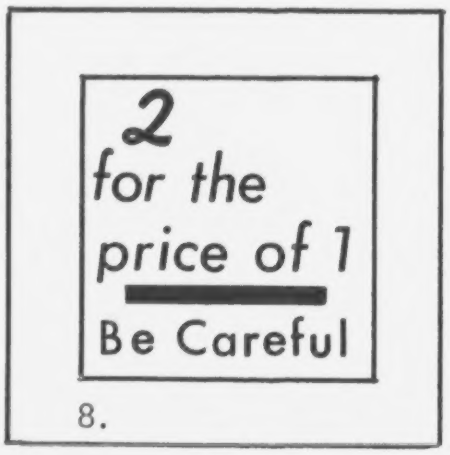
5.


PRE-TICKETED
AT $5.00
$4.50
BARGAIN

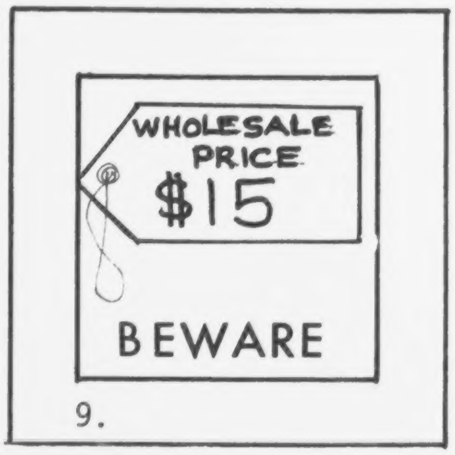
6.


'FREE'
Rose Pattern
TOWEL
inside
Be Careful

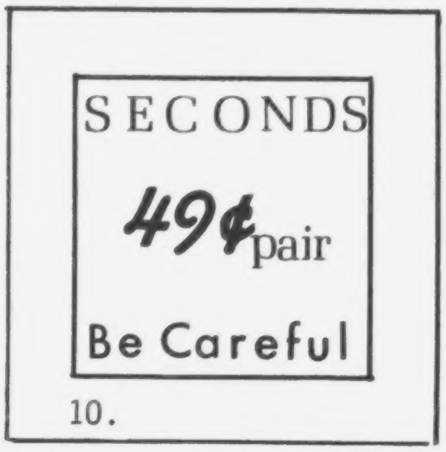
7.


2
for the
price of 1
Be Careful

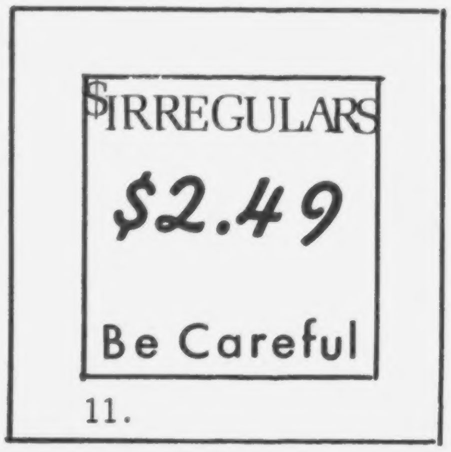
8.


WHOLESALE
PRICE
$15
BEWARE

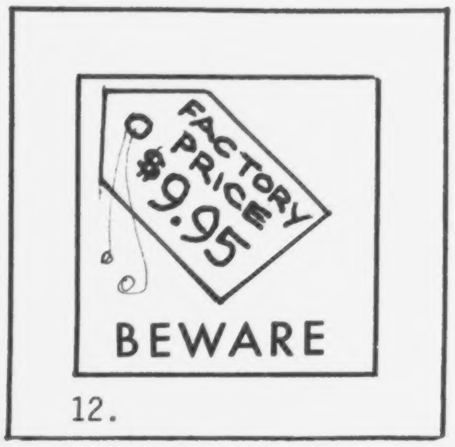
9.


SECONDS
49¢ pair
Be Careful

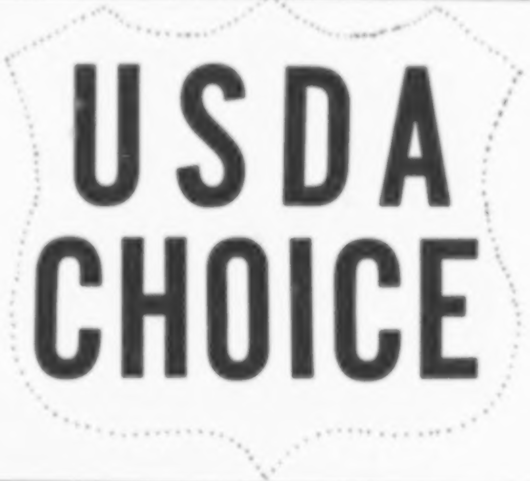
10.


$IRREGULARS
$2.49
Be Careful

11.

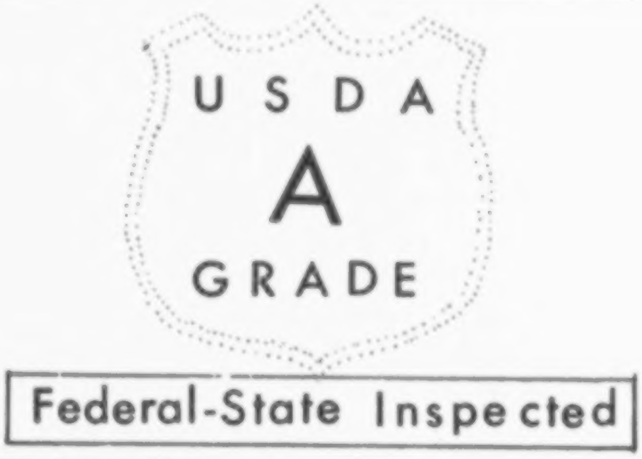

FACTORY
PRICE
$9.95
BEWARE

12.


USDA
CHOICE

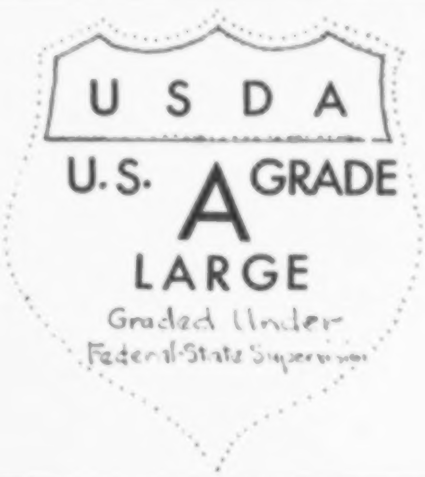
Meat

- BEEF
- LAMB
- MUTTON
- CALF
- VEAL
- YEARLING MUTTON

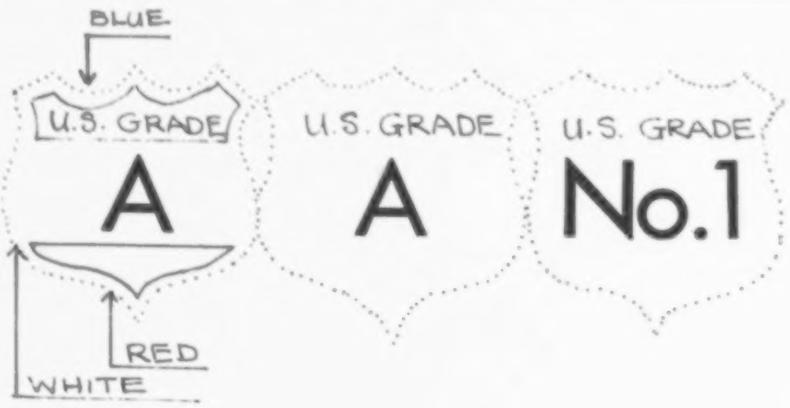

USDA
A
GRADE
Federal-State Inspected

Poultry

- FRYERS, BROILERS
- STEWING CHICKENS
- TURKEYS
- DUCKS
- GEESE
- GUINEAS


USDA
U.S. GRADE
A
LARGE
Graded Under
Federal-State Supervision

EGGS


BLUE
U.S. GRADE
A
RED
WHITE
U.S. GRADE
A
U.S. GRADE
No. 1

FRESH FRUIT & Vegetables

5 Year Moth Damage Guarantee!

We guarantee this 100% Virgin Wool blanket against moth damage for a period of five years form date of purchase. Should this blanket be damaged by moths or carpet beetles during this five year period, return it together with this guarantee to tne nearest Retail or Mail Order store and we will replace it with an equal quality blanket, charging you only for the number of months the blanket has been in your possession. All adjustments will be based on the then current selling price of a similar blanket.

GUARANTEE

This Electric Coffee Maker is guaranteed to be free from defects in workmanship and material for a period of one year from date of sale to the user.

Under the above guarantee, the company agrees to repair the appliance, repair or replace defective parts, which may develop under normal and proper use, provided the appliance is kept clean as instructed herewith and is used on the voltage circuits marked on the nameplate, and has not been immersed in water. The company will repair or replace defective parts gratis, under the above guarantee, if returned to tne factory prepaid. In the event any defect occurs, write us directly for the name of the service station nearest your home.

Within 10 days, you must fill out and mail enclosed registration card to make this guarantee effective.

Good Guarantees tell:
- what is guaranteed
- limits of guarantee
- length of time
- what the company will do
- what the buyer must do

Poor Guarantees leave questions

what is guaranteed? →

GUARANTEED
A
YEAR

Sanforized* Flannel Gown

1. Close Woven Cotton Flannel, Napped Both Sides for Warmth
2. Shrinkage Less than 1%
3. Double Needle Seams
4. 54 Inch Garment Length
5. Cut to Exacting Specifications for Fit and Comfort
6. Satisfaction Guaranteed

← what will the seller do?

UNIT X: PROTECTING
X-3. Help! Help!

OBJECTIVES:

To relate accepting one's responsibilities as a consumer to reducing fraudulent, deceptive, and quack practices
To explain how use of sources of help available to the consumer can help reduce fraudulent, deceptive, and quack practices
To identify which sources of help available to the consumer can be of aid in specific situations

VOCABULARY: Food and Drug Administration   Public Health Service
Department of Agriculture   Federal Trade Commission
Anti-trust Division of the Department of Justice
Post Office Department   President's Committee on Consumer Interests   Better Business Bureau   Testing services
American Council on Consumer Interests   Professional associations

We have talked about a number of practices of which consumers must beware. [Use transparency, see p. 327] We have also seen how some of the things such as food standards and labels can protect us. Today we are going to look at ways consumers can protect themselves from dishonest practices and some agencies which work to help protect our interests.

First, let's consider what we as consumers can do to protect ourselves. Each of us has the responsibility to do the following things to protect ourselves from dishonest merchants. Using a visual, discuss the reasons for each responsibility.

Use and evaluate available information
Recall experiences of friends and relatives
Read magazine and newspaper articles
Study manufacturer's information
Read advertisements carefully
Shop for the best buy for your money
Don't shop for price alone
Buy from reliable businessmen
Use your economic votes wisely (This means that every time you buy a product you are in effect voting for or giving your approval of that product.)
Make your needs and wants known to retailers, manufacturers, and producers
Take contracts seriously
Make good use of what you have
Take advantage of protective services and agencies (For example, use grade labels, food grades, etc. Call your Better Business Bureau or Chamber of Commerce when you can use their services.)

You might ask yourself the following questions to see how you measure up:

Do you get the most value for your money?

When you buy goods, do you take advantage of all the information that is available to you? Think about the last major purchase you made. What information did you collect before you bought it?

Do your purchases usually give you long-lasting satisfaction?

If you can answer "yes" to these three questions, you are well on your way toward being a responsible consumer. Let students discuss these points in relation to recent purchases they have made.

Fortunately for all of us there are a number of agencies which also work to protect consumers so that we don't have to do it all ourselves. Let's see what agencies are working to protect us:

Use transparency [see p. 328] to illustrate government protection of the consumer.

Food and Drug Administration (FDA)

The job of the Food and Drug Administration is to see that food, drugs, and cosmetics used by the American people are pure, wholesome, and sanitary. Food must be produced under healthful conditions; drugs and devices should be safe and effective; and cosmetics must be harmless and honestly described.

Public Health Service

A division of the Department of Health, Education, and Welfare, the Public Health Service is responsible for helping to prevent disease and protect health and medical research and administer a program of inspection and guidance that helps maintain high standards of health and sanitation.

Department of Agriculture

One of its most important services is its inspection of meat. All meat and poultry shipped from one state to another must be inspected by the Department of Agriculture. The Department also administers a program of voluntary grading of farm products, which enables the consumer to obtain the qualities of foods that he wants. Show these seals on products.

Federal Trade Commission (FTC)

The Federal Trade Commission has as its principal objective the maintenance of free and fair competition between businesses in the American economy. Much of the Commission's work is devoted to the elimination of false and misleading advertising. When the FTC finds evidence of deceptive advertising, a formal complaint is sent to the advertiser. If he does not agree to stop the deceptive practice, the Commission has the power to issue an order forbidding further use of this advertisement. This is called "a cease and desist order."

Antitrust Division of the Department of Justice

This agency is responsible for prosecuting violations which endanger fair and complete competition between businesses.

Post Office Department
The purpose of the Postal Inspection Service is to prevent fraudulent activities involving the United States mail. The mails are frequently involved in such things as the sale of worthless stock and fake medical cures. It also protects the public against theft of property in the mails.

President's Committee on Consumer Interests
(1) Acts as the consumer voice in the Administration
(2) Coordinates consumer activities of government agencies
(3) Recommends legislation
(4) Facilitates communication on consumer affairs between government, consumers, business, the states, and other organizations
(5) Acts as an Administration ear for comments from individual consumers
(6) Promotes consumer education
(7) Helps disseminate information of use to the consumer

Some businesses also voluntarily contribute to the protection of the consumer.

Better Business Bureau
When you need experienced information on facts before making an important purchase, when you have a specific question or complaint, all you, the consumer, need to do is to get in touch with your nearest Better Business Bureau. Phone, write, or come in person. Better Business Bureau services are absolutely free--no charge, no strings attached. The business community supports the Better Business Bureau, which in turn provides consumers with this free service. If there is not a Better Business Bureau in your community, you may write to: National Better Business Bureau, Inc., 230 Park Avenue, New York, New York 10017.

Here are some of the things the Better Business Bureau does for the consumer: It gives information about businesses, whether or not customers have had problems, and type of problems and how they were solved. It handles complaints, checks advertising claims, and develops standards in advertising and selling. [A field trip, speaker, or movie on Better Business Bureau might be helpful here. The film, "The Better Business Story," is available on free loan from your nearest Better Business Bureau.]

Testing Services
Tesing agencies are organizations which test different products to see if they work as they should. Then they report on the quality of the product. Some testing services give seals of approval to products that have passed their tests. Examples include: Good Housekeeping, McCall's, Parent's Magazine, Underwriter's Laboratory, and American Gas Company. Show samples of their seals on products.

Private Sources of Aid:

Testing Services

Some testing services are *not* supported by business. They are supported privately by consumers. Two of these are well-known. They are Consumers Union, which publishes *Consumer's Bulletin* and *Annual Bulletin*, and Consumer's Research, which publishes *Consumer's Reports*. These journals are usually available in public libraries. (Show copies of these.)

American Council on Consumer Interests

This is a nonprofit organization serving consumers primarily through the publication of a series of booklets dealing with issues that are important to consumers. It publishes a newsletter, serves as a clearing house for consumer information materials, and conducts an annual conference devoted to consumer problems. (Write for further information to: American Council on Consumer Interests, 238 Stanley Hall, University of Missouri, Columbia, Missouri 65201.)

Professional Associations

American Medical Association
American Dental Association
American Home Economics Association
Legal Aid Societies

These societies or bureaus give legal advice to persons who cannot afford the services of a lawyer. People who have problems concerning debts will find legal aid societies or bureaus very helpful. These bureaus stand ready to protect their rights and opportunities.

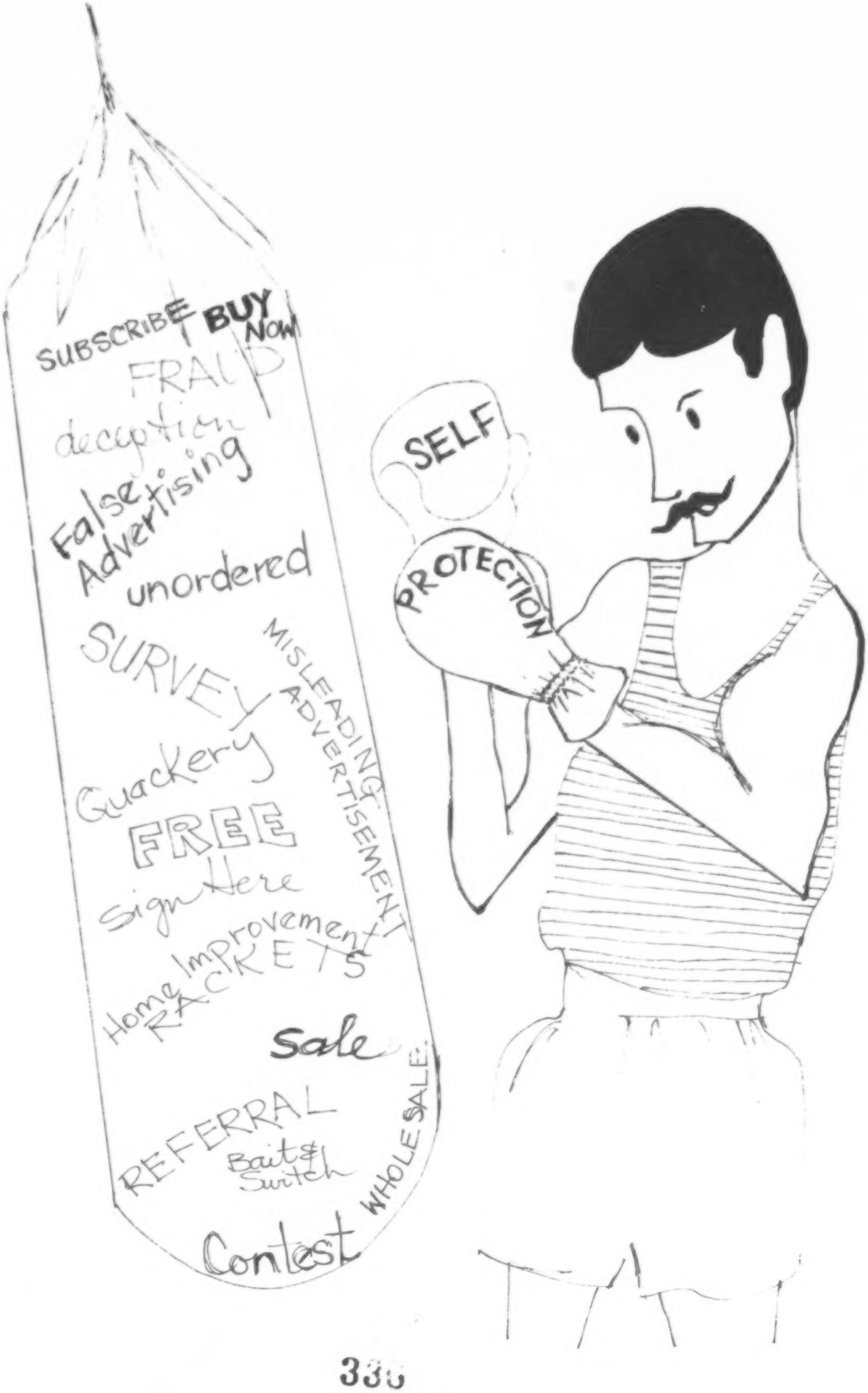
All of these organizations do things to help you as a consumer get the most and best you can expect for your money. But they can't do a good job of regulating every business in the United States. Despite the good work that they do, there will still be some dishonest businesses. People will still have complaints. So one thing you will probably be interested in knowing is what to do when you have a complaint or feel you have been cheated. Report your complaints about salesmen or stores to: [Use transparency, see p. 329]

Store manager
Better Business Bureau
Legal Aid Society
Chamber of Commerce
Your credit union
Your union
Family Service Agencies
Postal authority

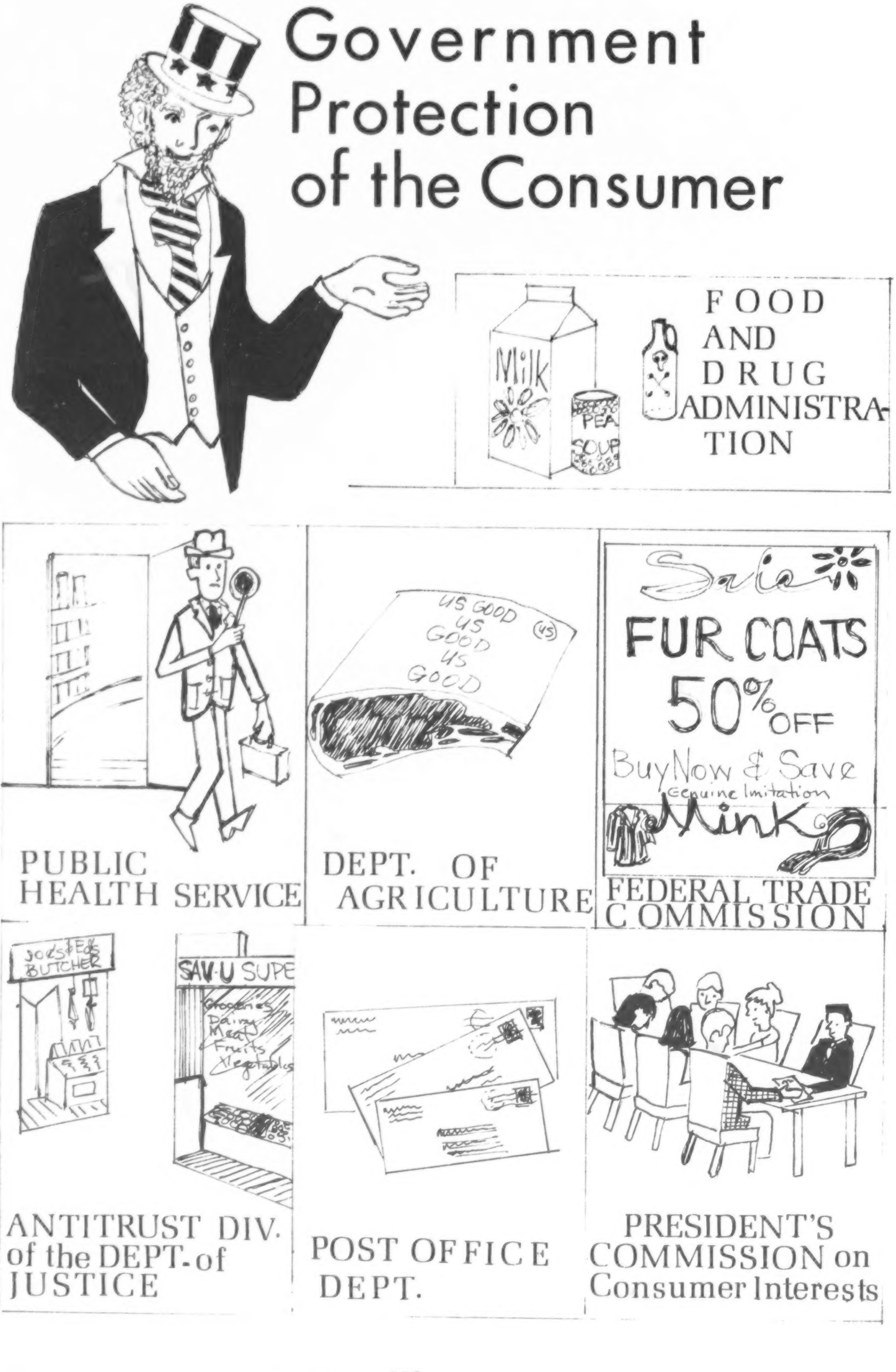
Take slides of these places in your town and as they are shown, discuss types of problems that could be taken to each place.

APPLICATION: Give examples of problems and let students determine how they would handle the situation and which agency might be able to help.

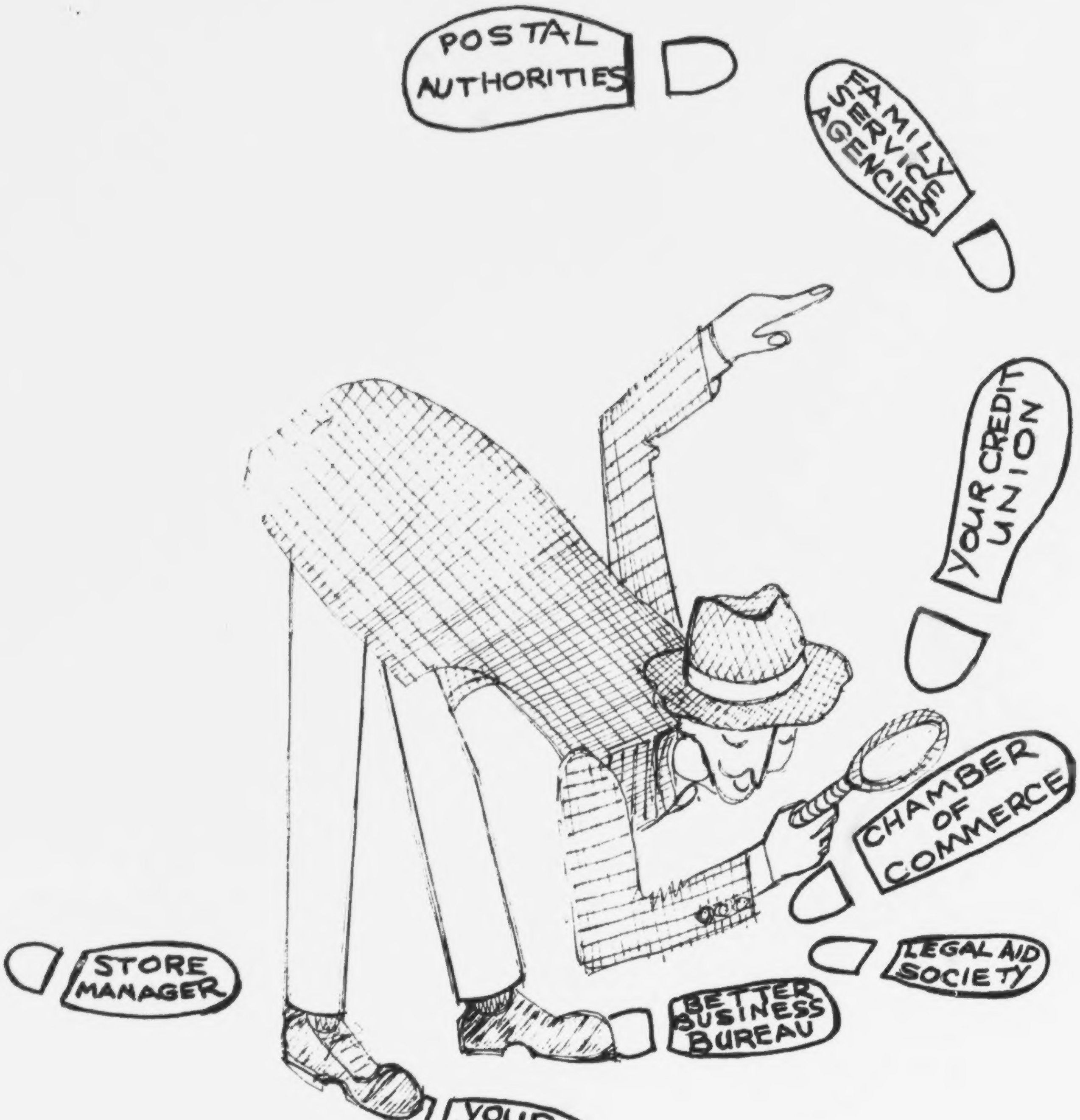
KEY IDEAS: Accepting one's responsibilities as a consumer helps reduce fraudulent, deceptive, and quack practices. Taking advantage of available sources of help can help reduce fraudulent, deceptive, and quack practices.


SUBSCRIBE
BUY Now
FRAUD
deception
False Advertising
unordered
SURVEY
MISLEADING ADVERTISEMENT
Quackery
FREE
Sign Here
Home Improvement RACKETS
Sale
REFERRAL
Bait & Switch
WHOLESALE
Contest
SELF
PROTECTION

Government Protection of the Consumer


Milk
PEA SOUP
FOOD AND DRUG ADMINISTRATION
US GOOD US GOOD US GOOD US
PUBLIC HEALTH SERVICE
DEPT. OF AGRICULTURE
Sale
FUR COATS
50% OFF
Buy Now & Save
Genuine Imitation
Mink
FEDERAL TRADE COMMISSION
JOE'S & ED'S BUTCHER
SAV-U SUPE
Groceries
Dairy
Meat
Fruits
Vegetables
ANTITRUST DIV. of the DEPT-of JUSTICE
POST OFFICE DEPT.
PRESIDENT'S COMMISSION on Consumer Interests

Clues for Protection


POSTAL AUTHORITIES
FAMILY SERVICE AGENCIES
YOUR CREDIT UNION
CHAMBER OF COMMERCE
LEGAL AID SOCIETY
BETTER BUSINESS BUREAU
STORE MANAGER
YOUR UNION

SECTION THREE: WORKING WITH INDIVIDUALS

WORKING WITH INDIVIDUALS

We Americans pride ourselves in having education for all. While it is true that adult education is available for all, the adult who has little or no reading ability and whose source of income is often from a welfare agency needs special attention so that he may become aware of and take advantage of the educational opportunities available to him.

The teaching suggestions in Section Three have been prepared for use with these families in small informal groups or on an individual basis since it is recognized that many adults with limited or no education may not attend any type of group meetings. The format of this section of the bulletin includes suggestions to the teacher and points to be emphasized and expanded when visiting with the families on an individual basis or in small groups. A number of suggestions for handouts are included. Following suggestions for handouts is a list of free and/or inexpensive materials and references which may aid the teacher working with individuals.

Although information in this section may seem very simple, it is some of the basic consumer education which will aid these families in achieving successful family living and in developing home management skills. Teachers who are experienced in this type of teaching have found that the suggestions in the section are simple, basic principles these families need to know. It is important that the teacher understand that teaching consumer education to low-income families is not telling them which brand is cheaper or which store has the best bargains; but it is giving them guides to use for decision-making in order to receive the most for the dollars they spend.

THE TEACHER

The low-income family with little or no education needs a teacher who likes people, who is people oriented, and who will listen and hear what each individual is saying. Such a teacher believes each individual is important and is a person of worth. Unless the teacher can relate to and communicate with these people, she will be unable to help them.

The teacher needs a strong background in subject matter, must possess capacity for change, and should be flexible in her use of teaching techniques. Individual instruction is a must and the teacher needs to work with these families on a person-to-person basis. Home visits are important. When the homemaker trusts the teacher and realizes that the teacher is a friend and not a "nosy-busybody," she is likely to become interested in improving or changing family living patterns. The teacher often must visit in a home many times before a homemaker will participate in any homemaking education activities. Thus time and patience are primary factors in working with low-income families.

THE CHALLENGE

It should be the goal of the teacher to involve these families in group work. Although some families will never participate in group activities, others will eventually begin to attend classes. It is hoped that participation in small groups will lead them to an increased interest in community activities and to more responsible citizenship.

Group instruction, like individual instruction, must be very simple. "Show and tell" activities, demonstrations, and discussions are usually more effective techniques than tapes and films. The flow of thought in tapes and films is often too fast; the person with little or no education cannot keep up and soon loses interest. Film strips are more effective because the teacher can take time to discuss and explain the subject matter. Skits and cartoons are sometimes ineffective because these people may not relate the ideas presented to their own situations. If these are used, the teacher should allow plenty of time for discussion in order to be sure each individual understands the points intended. Learning materials should contain simple concepts, and handouts should be simple and to the point. One or two word phrases and short sentences are more effective for learning materials than lengthy or detailed information.

An effective way of sharing information with these families often involves "through-the-back-door" tactics. For example, when the teacher is making a home visit, the homemaker may state that she would like to buy or repair a chair, which gives the teacher an opportunity to "teach." She might say, "I covered one of my chairs; maybe I can help you." If the homemaker is willing for the teacher to assist, they can evaluate the chair together and determine what could be done. The decision made might be to reupholster the chair, to clean the chair, or to discard the chair and buy another one. Consumer education would be involved in choosing a suitable cleanser, selecting fabric and findings to reupholster the chair, or considering factors to observe when buying a chair.

When it becomes possible to form a group of even two or three friends, do so. Attending group meetings will provide both learning opportunities and a social outlet for participants. However, the teacher should anticipate problems, such as a place to leave children and transportation, and try to help the group solve them. The teacher must realize that more factors may affect attendance than in other groups. Personal and family problems are increased in large families who cannot afford medical care. Participants may have no suitable clothing for bad weather.

The teacher must prepare carefully for group meetings. As with other groups, everything must be well planned and ready to begin on time. Needs and interests of group members should be considered. Lesson content should be concrete and meaningful to group members. Field trips, visuals, and verbal teaching techniques should be considered. Meetings are best if they are kept informal. Asking group members to read aloud, participate in role play or skits, or play educational games before they know one another well enough may be threatening.

Any change in behavior will be slow, so even small accomplishments should be praised.

GUIDELINES FOR PERSON-TO-PERSON INSTRUCTION

The information which follows includes suggestions for approaching and working with families with limited incomes on an individual basis. The teacher should find these points helpful, particularly if she has not previously worked with low-income families.

Obtain their confidence through home visits.

1. Dress appropriately by wearing something neat and in good taste. Overdressing may make the person feel that you do not fit into his way of life. Underdressing becomes obvious should you happen to see the person again somewhere else.
2. Do sit down if a chair is offered.
3. Show interest in what the individual and his family are doing. Befriend the children. Plan something interesting to keep them busy while you visit, perhaps toys the mother could make herself. Get acquainted with the man of the house, too.
4. Concentrate on learning and remembering names of family members so you can speak to them wherever you see them. You are showing your interest in them by taking time to learn and remember their names.
5. Watch the reactions of the person you are talking with. If his expression indicates that he does not understand, you may need to use simpler terms, or give an example, or the problem could be with his vision or hearing.
6. Do not express surprise or rejection verbally or through facial expression at things you may see while visiting in a home. Poorly constructed housing may make it difficult to keep rats and mice, bugs, and flies out of the dwelling. The family may not know how or have money available to fight such pests. The homemaker may not have adequate sanitary facilities, money for cleaning supplies, knowledge of cleaning supplies, knowledge of cleaning techniques, or time and energy to spend keeping her home clean.

Approach teaching through the "back door."

1. Let the homemaker take the initiative. Listen carefully to needs and interests she expresses.
2. Introduce information by saying: "I find it easier to...," "You might want to try...," or "Some possible solutions might be..." rather than "That isn't right," "You should do it this way," or "You should never..."
3. Accept the family's meal patterns, but make suggestions which will help them meet nutritional requirements. You might say: "I see you like beans. I like beans, too, but I like to eat them with cabbage slaw," or "Have you ever tried melting cheese on top?"
4. Be tactful in suggesting changes in practices by saying, "This big skillet can be used for frying, baking, and roasting, but a Dutch Oven or large pot with a tight fitting lid might

be better for vegetables, stews, and pot roast."

5. Use personal references, such as, "It would be nice for each child to have seven pair of panties, but when my children were small, I found that I saved money by having only three or four pair for each child and washing them more often. You know how children out-grow their clothing; they never wear things out."
6. Help the homemaker evaluate goods with such statements as: "All this advertising of new cleaning products on TV makes cleaning look so easy. I find, however, that I get along just as well for less money with a good detergent for laundering, a cleaner with amonia in it, a good broom, a good mop, and a soft rag for dusting."
7. Remember that habits of adults are slower to change than those of younger persons or children. Changing eating habits or behavior patterns may be difficult for them. Look for and praise small improvements.
8. Handouts are a good way to give the homemaker guidance and show interest in her. Be sure they are simple, to the point, colorful, and, if possible, include pictures, drawings, or cartoons.
9. Mailouts may be a good idea for creating interest and providing information.

Interweave consumer education with other types of information or experiences.

1. Food preparation--Consumer education may be interwoven with classes in food preparation. Some things which might be included are:
   a. Comparison of the cost of foods prepared with federally donated foods with those purchased at the store. For example, two one-pound loaves of bread can be baked for 12 to 14 cents; two one-pound loaves at the bakery or store cost 50 to 54 cents. Savings made by baking are 38 to 40 cents.
   b. Show how two or three good pots and pans are better buys than many inexpensive pots and pans in various sizes and shapes.
   c. Suggest improvising measuring cups by marking jars and cans with fingernail polish. Tablespoons and teaspoons may be substituted for measuring spoons.
2. Clothing--Consumer education may be interwoven with classes in clothing construction. Suggestions might include:
   a. Go with homemakers to rummage sales, thrift sales, and garage sales to help them learn to evaluate clothing available. If a homemaker sews, show her how she may select a large size dress to use as material for a child's garment or blouse. A child's coat might be made from a large coat.
   b. Show homemakers how much money they can save if they learn to sew, particularly if machines are available near their home for free use. Housing projects and community centers frequently provide machines for use by low-income homemakers.

Teach families to make good use of available resources.

1. Become acquainted with your community to learn if there are free or discarded materials available for any of the following uses:
    a. Making furniture from large wire spools, crates, boxes, or discarded furniture.
    b. Making kitchen equipment from large jars or cans with lids.
    c. Making inexpensive accessories for one's home.
    d. Making garments from scraps and mill ends from garment factories or clothing stores.
    e. Making toys for children such as:
        (1) blocks from lumber scraps, milk cartons
        (2) painting on newspapers
        (3) play houses from cardboard boxes
        (4) stacking toys from tin cans
        (5) sandboxes filled with leftover sand
        (6) scrap books and story books from discarded magazines
2. Become familiar with agencies that offer the following services to low-income families:
    a. Health
    b. Recreation
    c. Education
    d. Legal aid
    e. Consumer protection
    f. Social
    g. Counseling

PROBLEM AREAS

Low-income families have special problem areas as consumers. While working with a family you will want to look for areas in which they need help and in which they want help. Areas in which low-income families may need help include the following:

In decision-making

recognizing their values
defining their goals
getting help in setting and achieving goals
providing for their basic needs
putting needs before wants
putting family needs above the wants of individuals
working together as a family
knowing what resources are available to them
taking advantage of available resources
developing skills which may become resources
knowing that different forms or combinations of resources may be used to reach one goal
making optimal use of resources
realizing that all decisions are interrelated
knowing how to make decisions through logical analysis of choices
weighing all advantages and disadvantages of each alternative before making a decision

In planning
- establishing priorities
- making plans
- anticipating outcomes
- making long-range plans
- knowing how to implement plans
- realizing the importance of communication among family members in reaching goals
- reappraising and adjusting plans to meet changing conditions
- evaluating plans
- considering criteria for measuring results
- using evaluation as basis for making future plans
- keeping financial and other family records
- using records as basis for future planning

In buying
- knowing how attitudes affect buying practices
- making a preliminary study of available information
- making preliminary buying plans
- needing to establish criteria for buying various items
- broadening shopping horizons
- deciding where to shop to get the most for their money
- using criteria for selecting source of purchase
- paying more attention to the best time of day to shop
- shopping comparatively
- inspecting goods and labels
- recognizing the relationship of price to quality
- curbing impulse buying
- evaluating "bargains"
- becoming aware of standards, grades, warranties, and guarantees
- understanding the purpose of advertising
- recognizing the effects of advertising on buying practices
- analyzing advertisements

In banking
- knowing what banking services are available to them and understanding how to use them
- knowing how to open and use checking and savings accounts

In borrowing
- knowing what credit is, types of credit available, and how to use credit wisely
- figuring credit cost
- knowing reasons for using credit
- knowing conditions for obtaining credit
- understanding importance of keeping a good credit rating
- understanding that credit costs vary
- knowing importance of shopping for credit
- understanding credit contracts
- figuring the cost of credit

In saving
- knowing why saving is desirable
- knowing where to put savings

disciplining self to the savings habit
recognizing the importance of "pay-yourself-first" saving
realizing that care and maintenance which lengthens the life of a product is a form of saving
developing skills which could help the family save money (making electrical or plumbing repair, sewing, auto mechanics)
realizing that other resources may be substituted for money

In insuring
knowing purposes of insurance
becoming familiar with insurance terms
knowing how to determine insurance needs
becoming familiar with types of insurance available
knowing the purposes and benefits of Social Security
knowing when to consult the Social Security office
recognizing the benefits of Medicare and Medicaid
taking advantage of veteran's benefits
being aware of benefits available through federal and state agencies
understanding the purposes and benefits of estate planning

In sharing
knowing uses and benefits of taxes
keeping tax records
filling out tax forms
knowing benefits available through charities
taking advantage of benefits made available through church gifts
using time, skills, and resources other than money to provide gifts for family and friends

In earning
knowing how environment influences one's ability to get and keep a job
knowing how personal attitudes, human relationships, and education affect one's ability to get and keep a job

In protecting
recognizing fraud, quackery, and deception
knowing things to look for in packaging and labeling
taking advantage of standards and grades as guides when shopping
knowing what to look for in guarantees and warranties
knowing their responsibilities as consumers
knowing where to go for help as a consumer

When one of the above problem areas has been recognized, the teacher may then prepare to meet the family's need for consumer education in that area. Ideas for learning experiences to be used with individuals may be drawn from the materials in Section Two. Although it is doubtful that an entire lesson would be used, by studying the lessons in Section Two the teacher should become familiar with consumer education needs of low income families and possible content and approaches for discussions with the homemaker and her family.

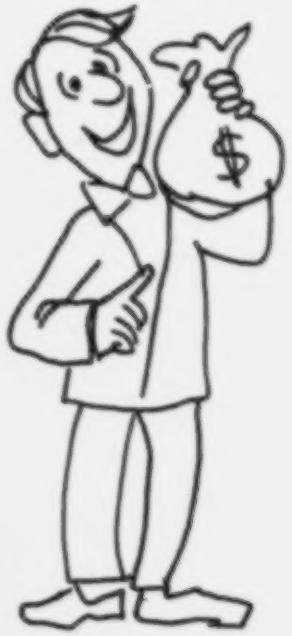
SUGGESTIONS FOR HANDOUTS AND VISUALS

The following teaching-learning materials have been planned for use with individuals or small groups. Suggestions for handouts, which may be kept by the homemaker, are included for several areas of consumer education. These could also be used with a cover letter for mailing. Because low-income families may receive very little mail, the letters and handouts may be read and reread and even saved in a special place. When the teacher comes to visit and identifies herself with the mailouts, she is more likely to be favorably received. Suggestions for handouts and visuals included in the lessons in Section Two may also be useful in working with individuals.

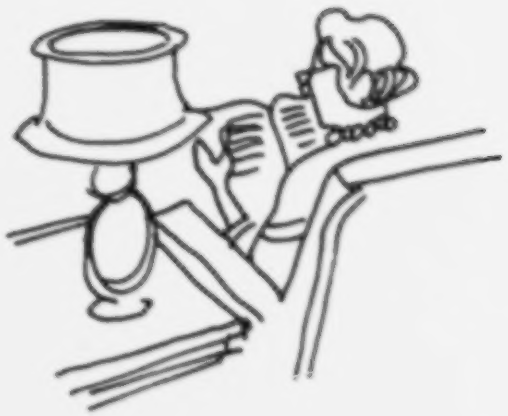
Included at the end of this section is a list of free and/or inexpensive materials and references which should be suitable for persons with limited reading ability and addresses for sources of additional materials which are free or inexpensive. Some of the materials ordered from this list could be used as handouts or mailouts for teachers working with individuals or small informal groups or loaned to individual homemakers.

TYPES OF RESOURCES [1]

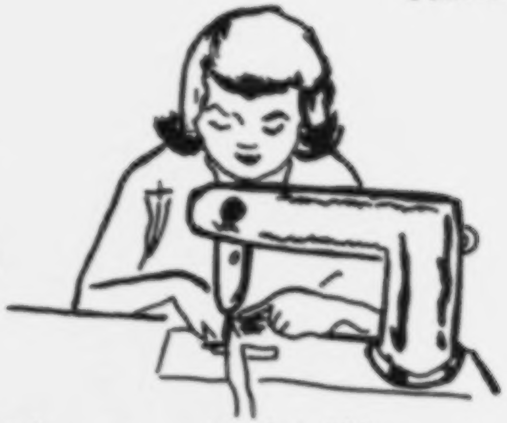
HUMAN



Attitudes

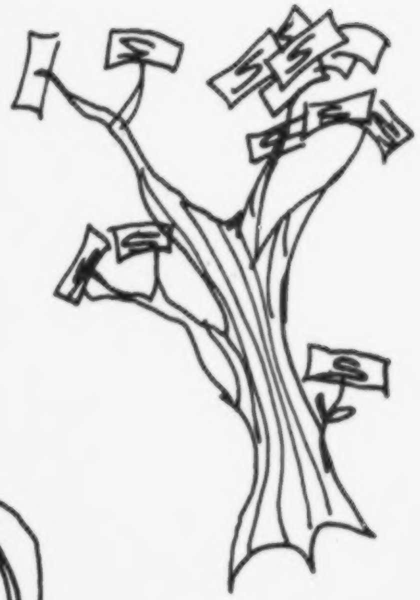


Knowledge

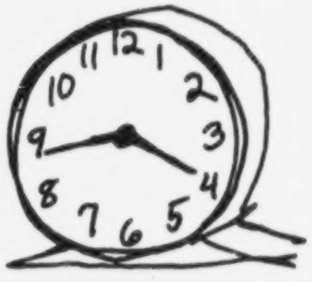


Abilities and Skills

NON-HUMAN



Money



Time

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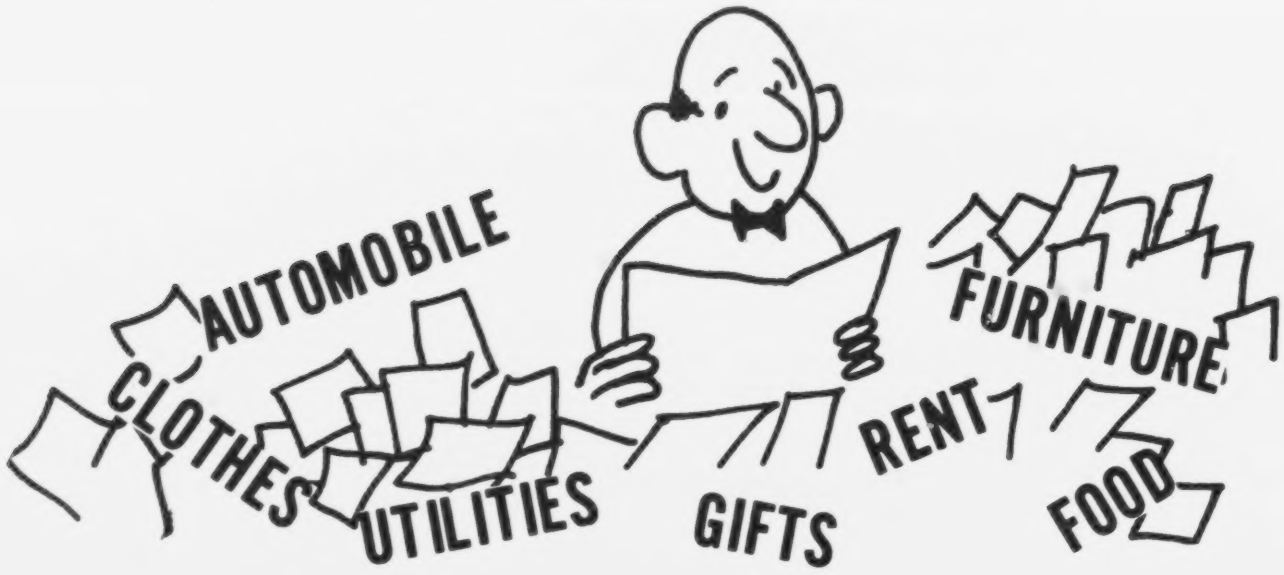
WHY BUDGET???


AUTOMOBILE
CLOTHES
UTILITIES
GIFTS
RENT
FURNITURE
FOOD

1. To achieve your goals within your income
2. Develop an objective attitude toward money
3. Develop confidence in financial abilities
4. Help each family member understand responsibilities in financial management
5. Strengthen family relationships by solving financial problems together

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TEST YOUR BUYMANSHIP[1]

SHOULD I BUY?

SHOULD I USE CASH OR CREDIT?

WHAT FEATURES DO I WANT?

WHICH BRAND SHOULD I BUY?

SHOULD I BUY NOW OR LATER?

WHERE SHOULD I BUY?

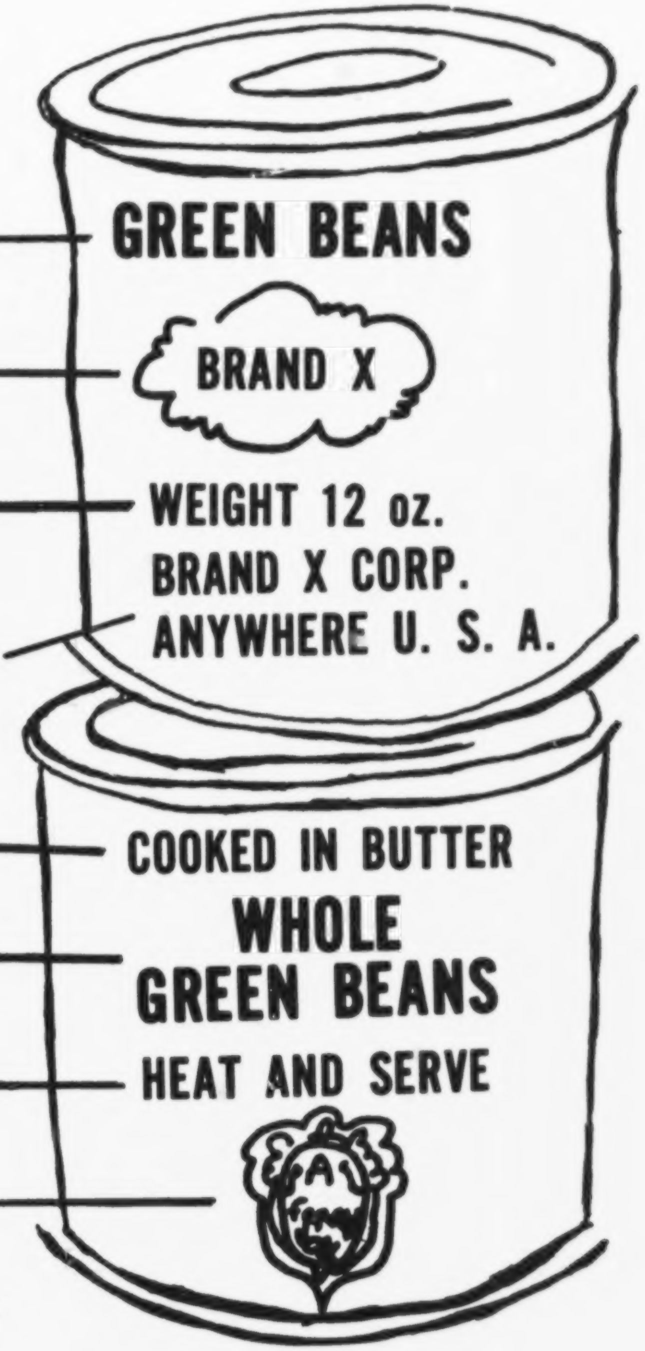
IS THIS WHAT I WANT?

---

[1] Adapted by permission from Vocational Education Media Center, Clemson University and Office of Vocational Education, State Department of Education, Columbia, South Carolina.

A GOOD FOOD LABEL TELLS[1]

1. NAME OF PRODUCT
2. BRAND NAME
3. WEIGHT OF CONTENTS
4. NAME AND ADDRESS of MANUFACTURER
5. ADDITIVES
6. DESCRIPTION of PRODUCT
7. INSTRUCTIONS for USE
8. GRADE—IF GRADED


GREEN BEANS
BRAND X
WEIGHT 12 oz.
BRAND X CORP.
ANYWHERE U. S. A.
COOKED IN BUTTER
WHOLE
GREEN BEANS
HEAT AND SERVE
A

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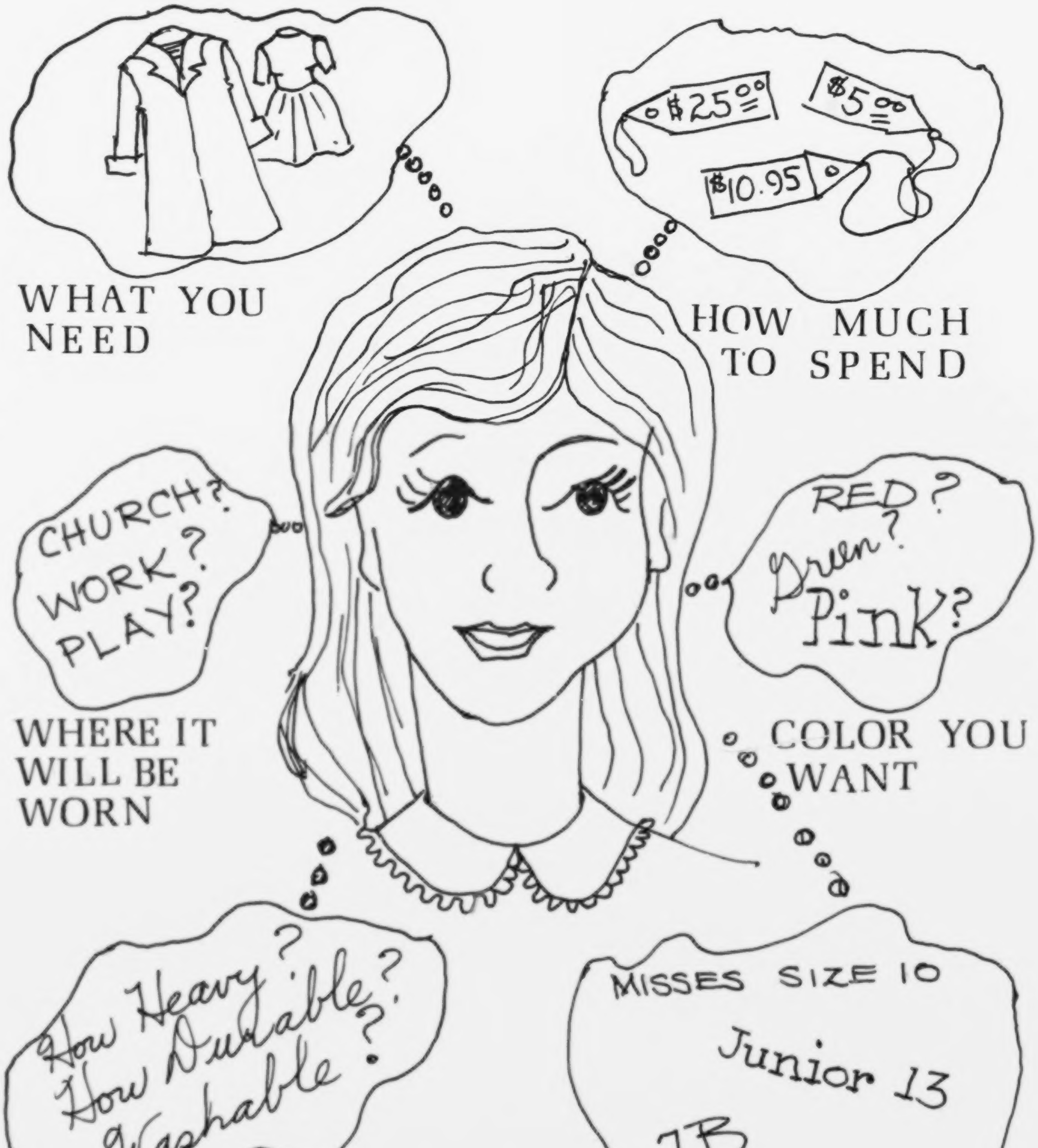
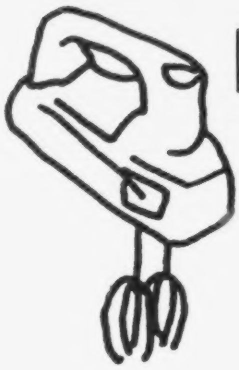
[1] Reprinted by permission from Vocational Education Media Center, Clemson University and Office of Vocational Education, State Department of Education, Columbia, South Carolina.

Things to keep in mind when you shop for clothes


WHAT YOU NEED
$25.00
$5.00
$10.95
HOW MUCH TO SPEND
CHURCH? WORK? PLAY?
WHERE IT WILL BE WORN
RED? Green? Pink?
COLOR YOU WANT
How Heavy? How Durable? Washable?
MATERIAL
MISSES SIZE 10
Junior 13
7B
SIZE



FACTORS TO CONSIDER BEFORE SELECTING A SMALL APPLIANCE[1]

1. **Tasks the appliance will perform**
2. **Storage space available for appliance**
3. **Cost of maintenance and operation**
4. **Frequency of use**
5. **Power supply necessary to run appliance**
6. **Reliability and reputation of brand**
7. **Cost of appliance**

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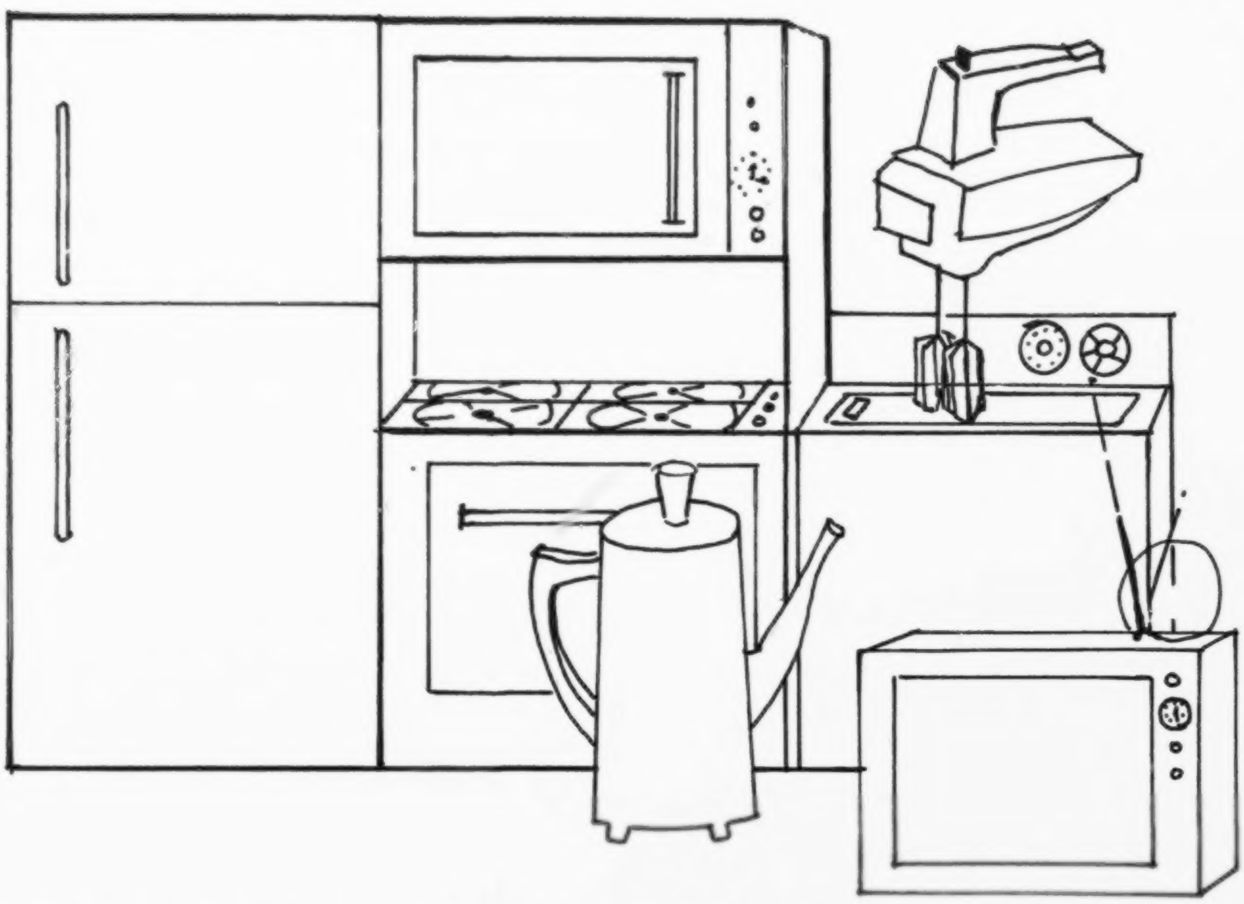


BUYING AN APPLIANCE?

Ask Yourself...

does it have a seal of approval?

what does the guarantee promise?

will it work on the type of gas or electric current in my home?

how long will it take to be delivered?

what is offered in the different stores?

did I shop around?

how much can I spend?

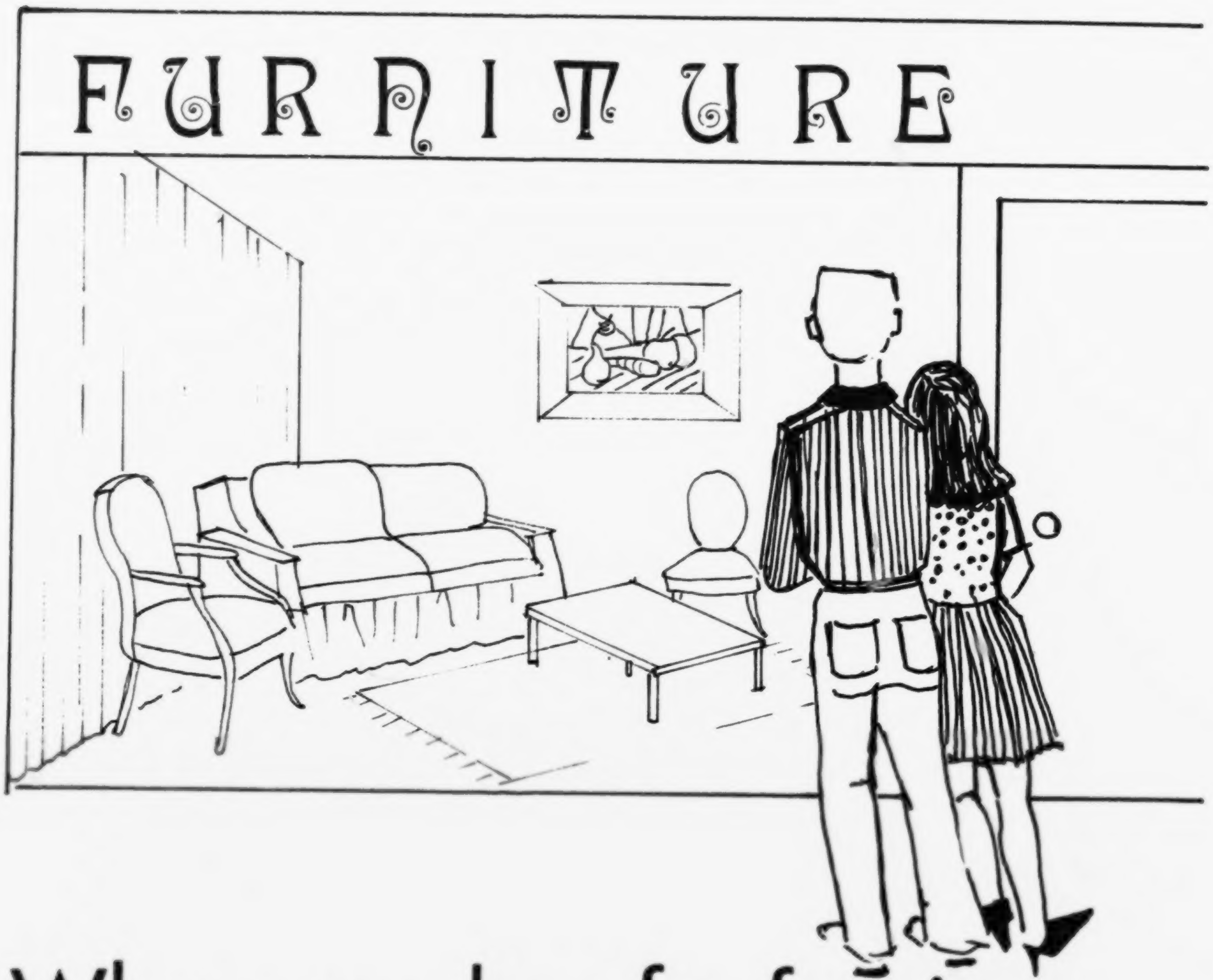
have I tried to make it work?

will it cost more to have it delivered or installed?

what does the instruction booklet say?

what do the tags and labels say?

is it made by a well-known company?



When you shop for furniture--

REMEMBER:

1. Well-made furniture lasts a long time; cheap furniture doesn't--it falls apart
2. You can buy one piece of furniture at a time; you don't have to buy a "set" or "group" of furniture
3. One piece of furniture may serve several different purposes
4. Always try out furniture in the store
5. Be sure that the furniture will look good in your home
6. Be sure that you get what you want--you will have to live with it for many years

THINKING ABOUT RENTING?[1]
CONSIDER THESE POINTS

1. WHAT IS INCLUDED IN RENT
2. APPROXIMATE COST OF UTILITIES
3. PROVISIONS FOR UPKEEP
4. LENGTH OF NOTICE REQUIRED BEFORE MOVING
5. WHETHER OR NOT A LEASE IS REQUIRED; AND IF SO, FOR HOW LONG
6. CONDITION OF DWELLING
7. COST OF RENT AND DATE IT IS TO BE PAID
8. RESTRICTIONS—SUCH AS PETS

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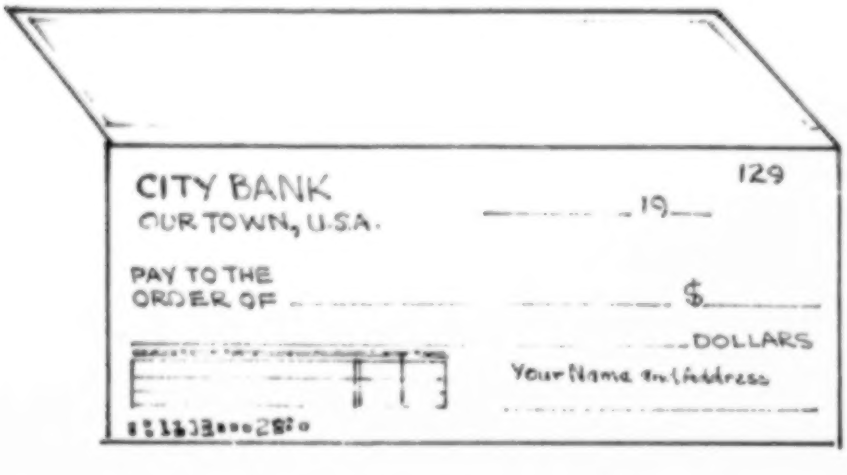
What do banks do for people?

1. Keep money safe
2. Make it easy to make payments
3. Checks serve as evidence of payment
4. Help establish a credit rating
5. Loan money


CITY BANK
OUR TOWN, U.S.A.
129
19
PAY TO THE ORDER OF
$
DOLLARS
Your Name and Address

How do you open a checking account?

1. Ask for the new accounts officer and tell him that you want to open a checking account.
2. Give the officer some money to put in your account.
3. Sign a signature card so that the bank will know that you signed the check that comes to the bank with your name on it.

WHAT IS CREDIT?

When you use something before you pay for it.

WHEN MAY YOU USE CREDIT?

to buy electricity and gas for your home

to buy a refrigerator

to buy a house

to buy clothes

to buy a car

to borrow money

CREDIT COSTS MONEY!

The charge for credit is interest. Interest is usually stated as a percentage (%). You can also figure it in dollars.

WHEN YOU BUY "ON TIME" YOU AGREE TO:

pay the money you owe.

make payments at a certain time.

give back what you are buying if you cannot finish paying for it. AND you will probably not get back the money that you already paid.

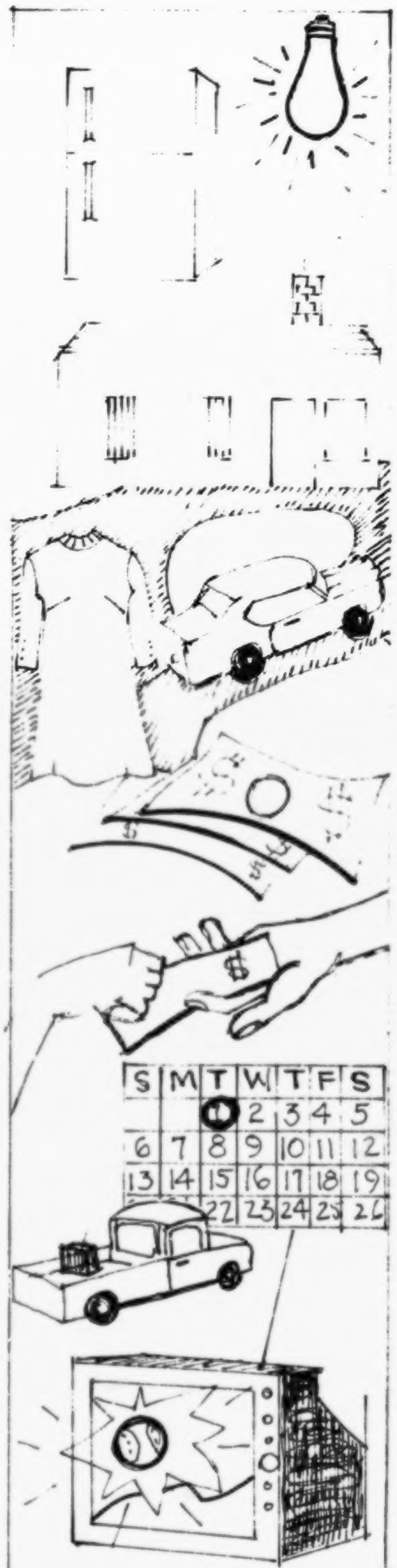
not sell what you are buying until it is paid for.

not to move it away until it is paid for.

you will take care of any damage done to it if you have to return it.

WHEN DO YOU BECOME THE OWNER?

When all payments are made. You may use it, but the store still owns it until you make all payments.



CREDIT CONTRACT... What Is It?

read it

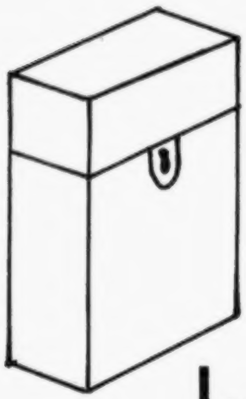
ask questions about anything you don't understand

be sure all numbers are filled in

be sure it states the price you are paying

be sure it states trade in allowance

be sure it states all agreements between you and salesman

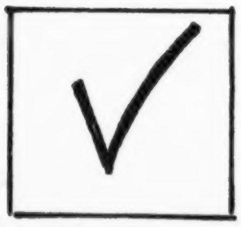


keep it

be sure you keep a carbon copy

be sure it says the same thing the lender's copy says

keep it in a safe place



check for

total amount of purchase

amount of each payment

number of payments to be made

insurance cost

any service charges

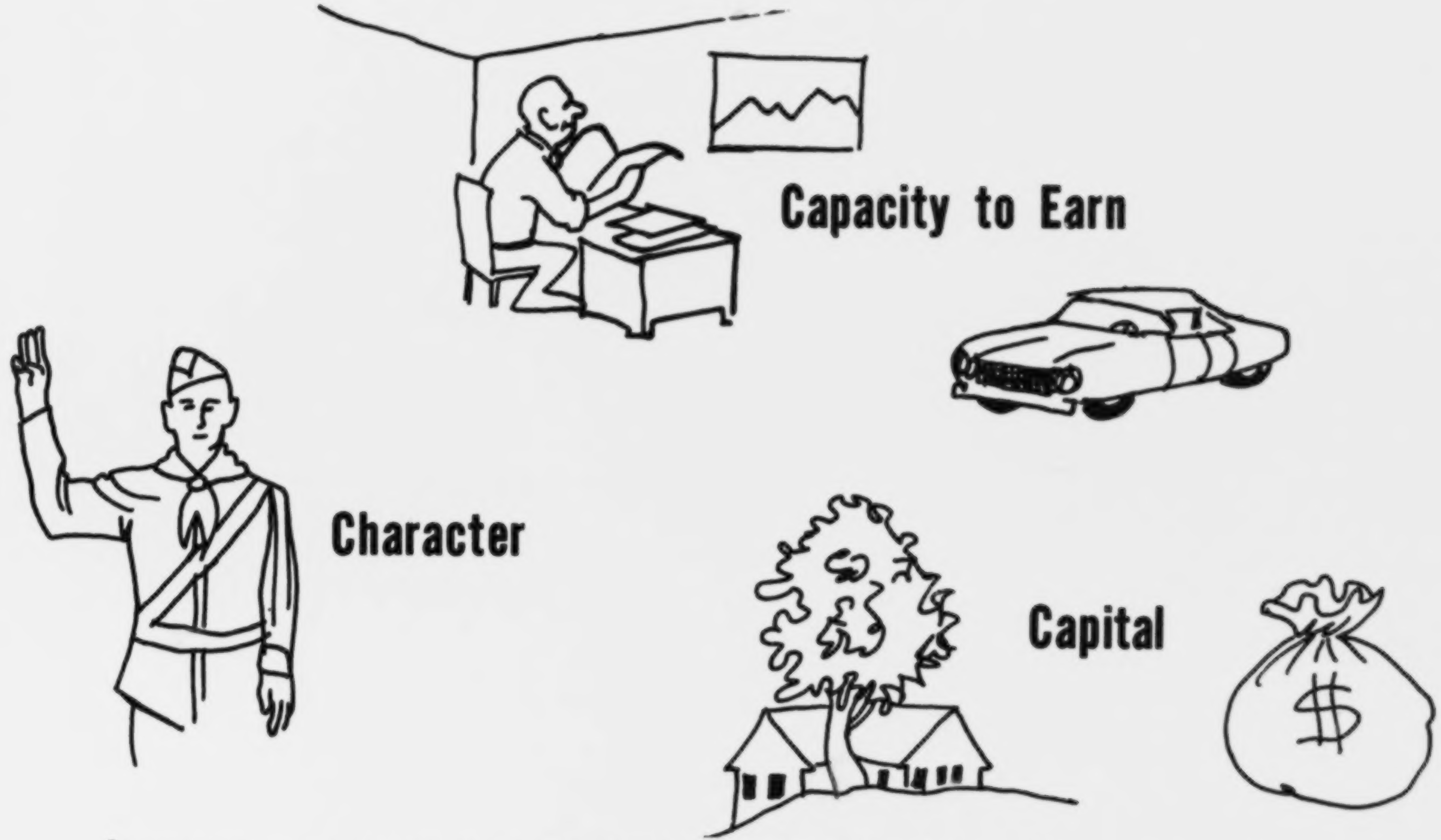
down payment

total money owed

due date of each payment

what happens if can't pay

BASES ON WHICH CREDIT IS GIVEN [1]



Capacity to Earn

Character

Capital

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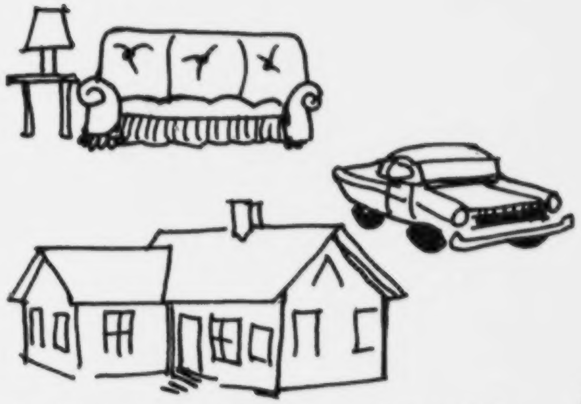
KINDS OF CREDIT AVAILABLE[1] TO THE CONSUMER

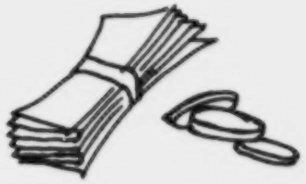
INSTALLMENT



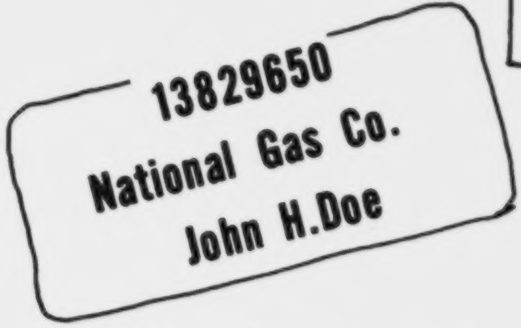
Installment Sales Credit

Installment Cash Credit

NON-INSTALLMENT

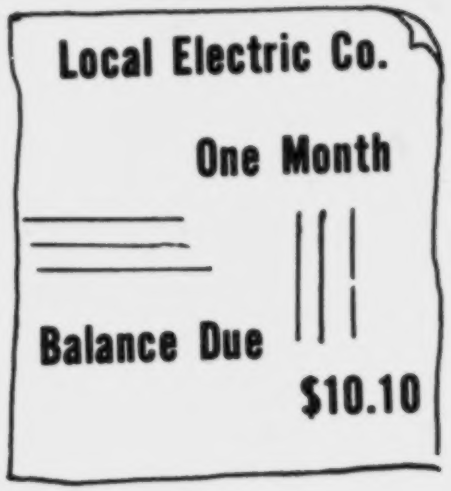


Single Payment Cash Loans


13829650
National Gas Co.
John H.Doe

Credit Cards and Charge Accounts

Utility Bills


Local Electric Co.
One Month
Balance Due
$10.10

Doctor's Fees

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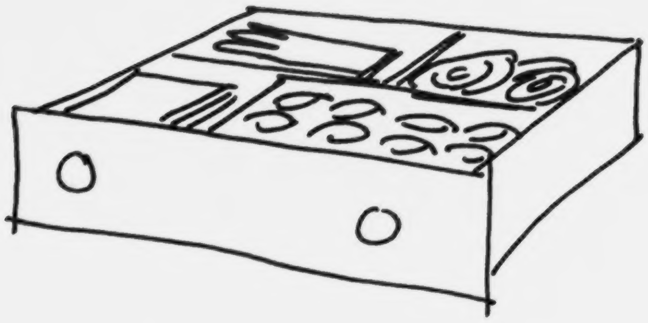
PROPER CARE MEANS LONGER WEAR[1]

Cleaning

Mending and Repairing

Refreshing



Storing

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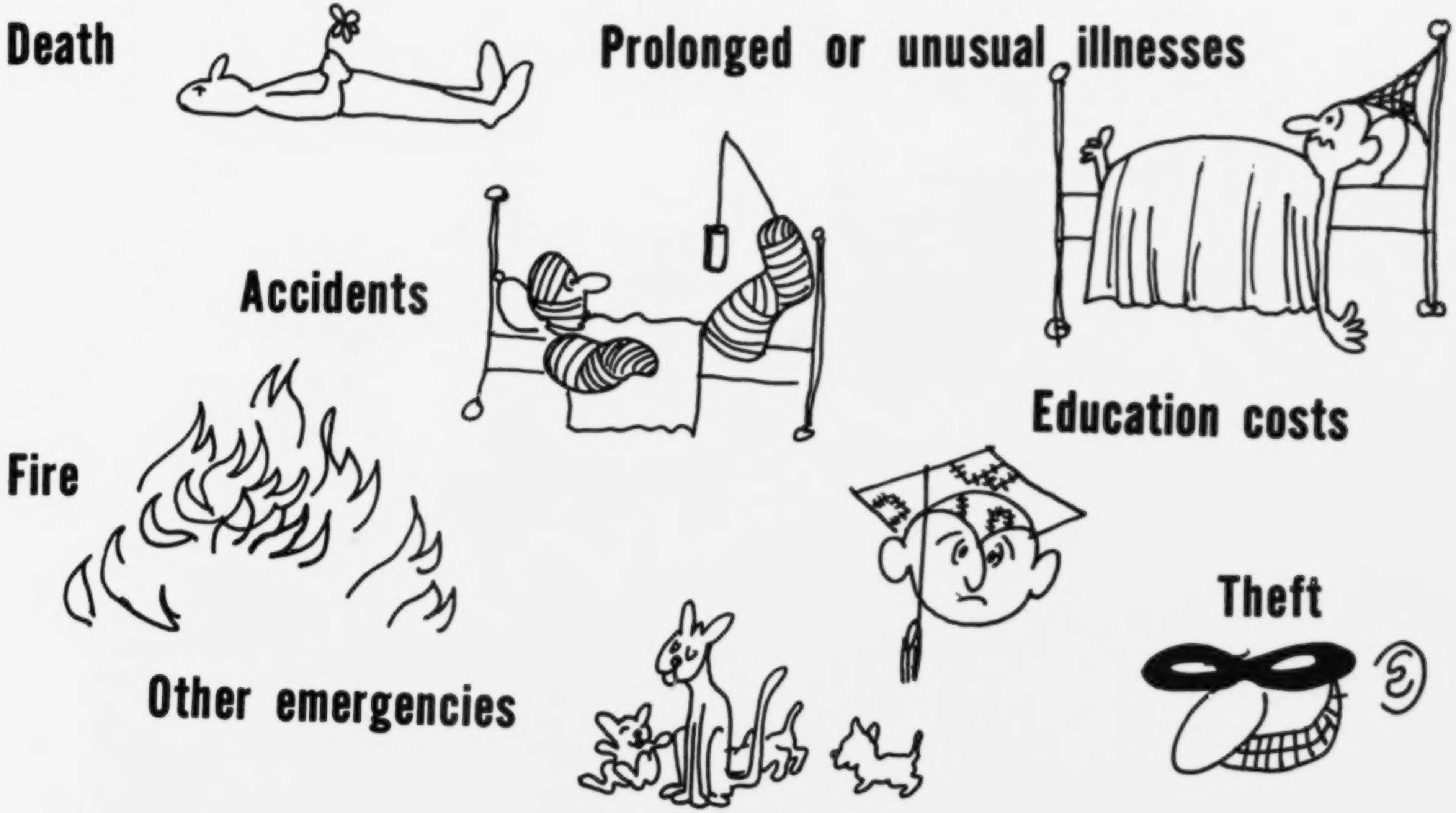
WANTED: FINANCIAL SECURITY AGAINST:[1]


Death
Prolonged or unusual illnesses
Accidents
Fire
Education costs
Theft
Other emergencies

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WHY CONSUMERS BUY HEALTH INSURANCE[1]

Protection against hospital and medical expense

Protection against loss of income

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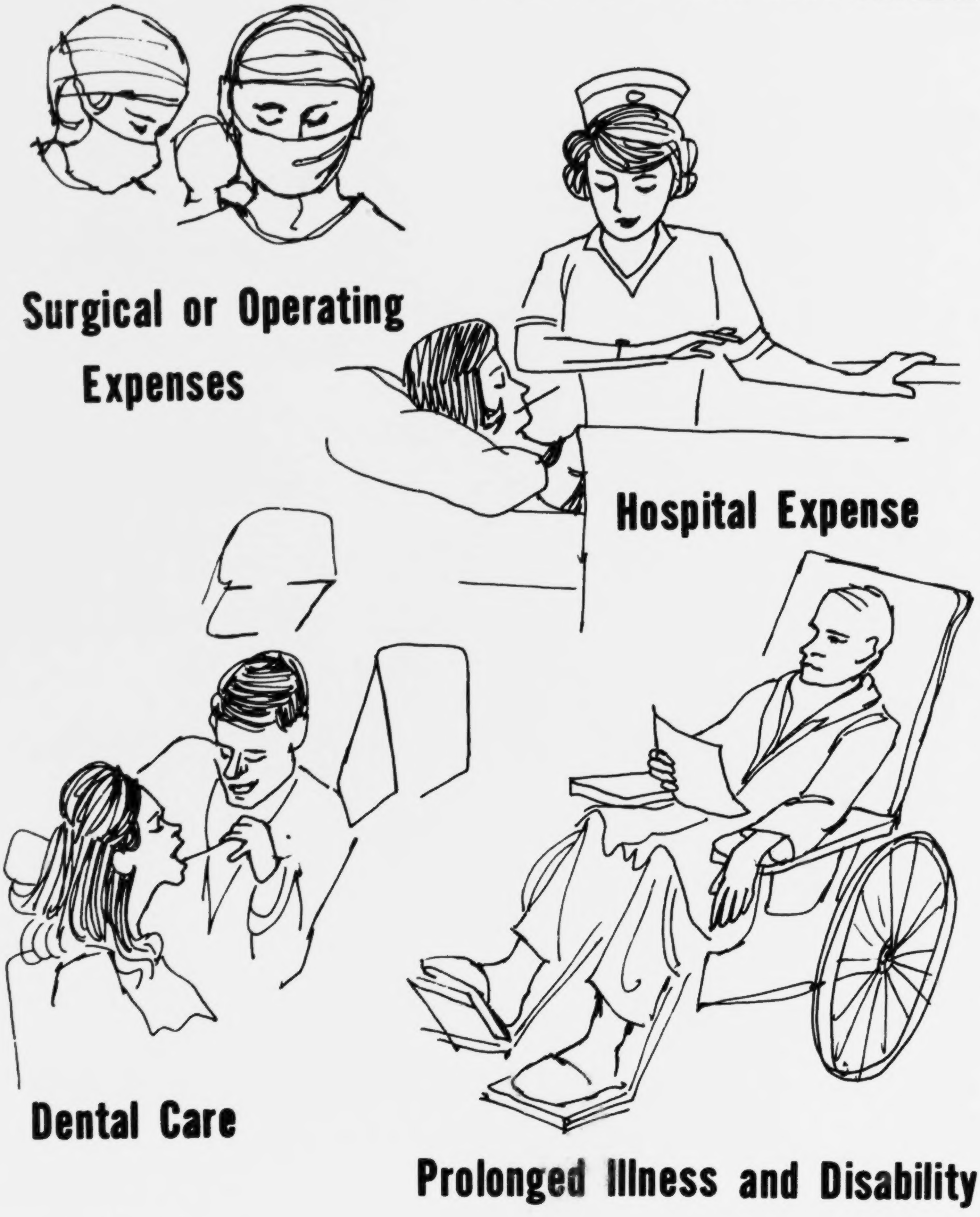
TYPES OF HEALTH PROTECTION AVAILABLE[1]


Surgical or Operating Expenses
Hospital Expense
Dental Care
Prolonged Illness and Disability

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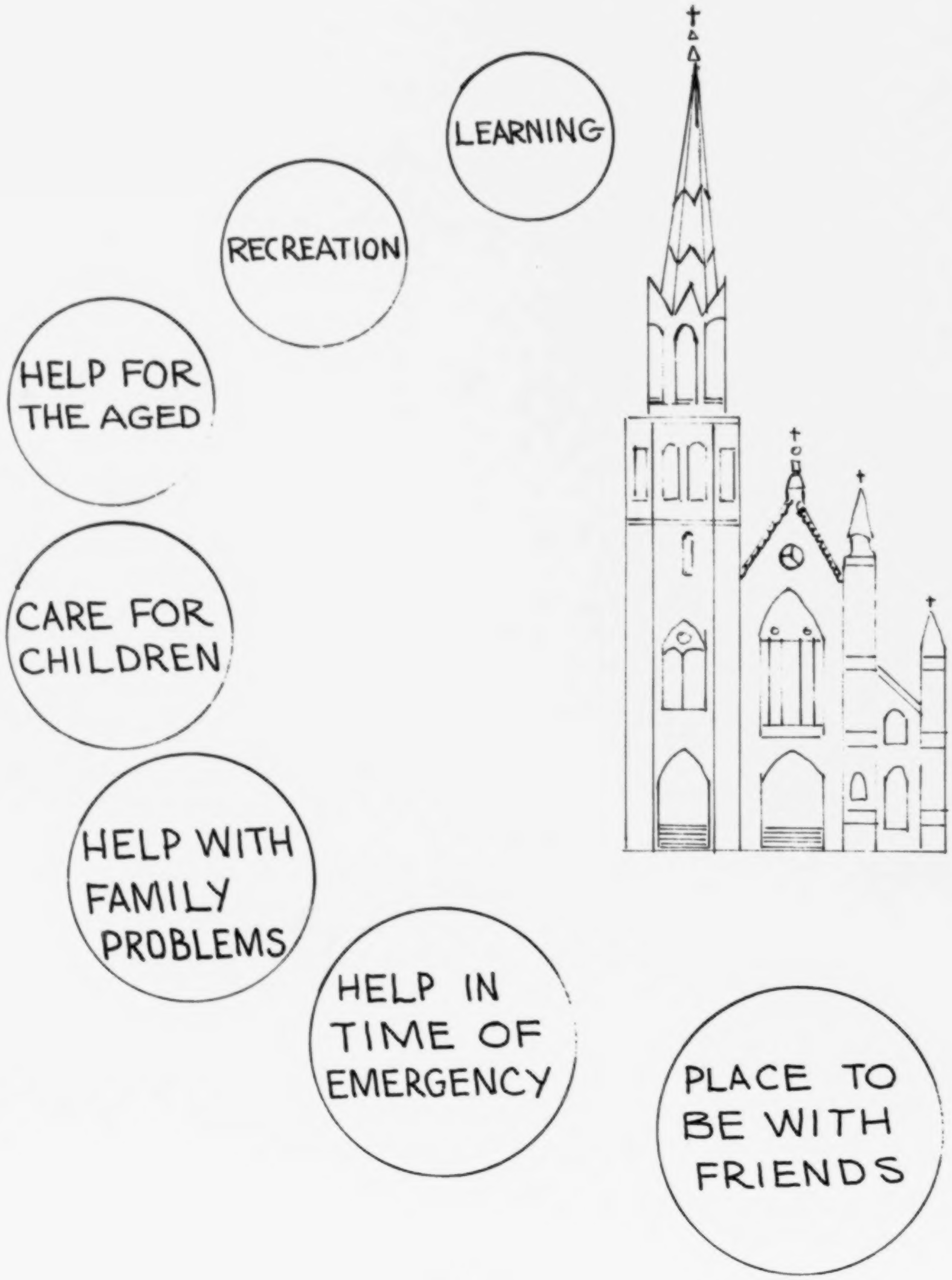
WE SHARE MONEY THROUGH CHURCHES


LEARNING
RECREATION
HELP FOR THE AGED
CARE FOR CHILDREN
HELP WITH FAMILY PROBLEMS
HELP IN TIME OF EMERGENCY
PLACE TO BE WITH FRIENDS

FREE AND INEXPENSIVE REFERENCES AND MATERIALS

General: (Write for publication list)

Bay Area Neighborhood Development. 4801 Central Avenue, Richmond, California 94804.

Bulletin of Available Publications of U.S. Department of Agriculture's Consumer and Marketing Service. U.S. Department of Agriculture Consumer and Marketing Service, Washington, D.C. 20250.

CUNA International, Inc., Education Department, Box 431, Madison, Wisconsin 53701. (Formerly Credit Union National Association)

National Better Business Bureau, Inc., 23 Park Avenue, New York, New York 10017. (Or visit local bureau)

For teacher:

Changing Times Education Service. Resource Kit for Teaching Consumer Education. 1729 H Street, N.W., Washington, D.C. 20006. (Complete kit $22.50)

President's Committee on Consumer Interests. Consumer Education Bibliography. Superintendent of Documents, U.S. Government Printing Office. Washington, D.C. 20402 (65¢)

President's Committee on Consumer Interests. Guide to Federal Consumer Services. Washington, D.C.: Superintendent of Documents, U.S. Government Printing Office, 20402. (75¢)

Teaching Taxes Program. Internal Revenue Service, U.S. Department of the Treasury. (Classroom unit includes student booklet, wall chart, farm edition, teacher's guide. Free to educators; request from your local IRS office, listed in telephone directory under "U.S. Government.")

Volunteer Income Tax Assistors Program. Internal Revenue Service, U.S. Department of the Treasury. (Includes step-by-step "road map" for preparing form 1040, workbook, and information book. Designed for individual tax payer and/or for volunteer income tax assistors. Free to educators, request from local IRS.)

Working with Low-Income Families. American Home Economics Association, 1600 20th Street, N.W., Washington, D.C. 20009.

For adults with limited incomes and educations:

Bartels, Robert. The Miracles of Credit. Columbus, Ohio: The Ohio Consumer Loan Association.

Be a Good Shopper. Burlington, Iowa: National Research Bureau, Inc.

Be Wise...Consumer's Quick Credit Guide. Washington, D.C.: U.S. Government Printing Office. 1964.

Cass, Angelica W. *How to Be a Wise Consumer*. New York, New York: Oxford Book Company. 1959. (Book)

Consumer Credit and You--The Consumer Finance Story. Washington, D.C.: National Consumer Finance Association.

Consumer Information Cartoon Leaflets. Bay Area Neighborhood Development, 4801 Central Avenue, Richmond, California 94804. (Folders in English and Spanish, giving tips on buying and/on consumer protection; 5¢ each.)

Educational Opportunities Center. *Paycheck: What Mike, Ralph, and Lou Learned About Their Take Home Pay*. Chicago, Illinois: Follett Publishing Company, 1967.

Family Budget Service. Madison, Wisconsin: Family Financial Counseling, Inc.

5 Steps to Intelligent Buying. (Chart) Washington, D.C.: National Foundation for Consumer Credit, Inc., 1968.

Goble, Dorothy Y. *You and Your Money*. Austin, Texas: Steck-Vaughn Company, 1967.

Hi! I'm Mr. Money Wise. I'd Like to Tell You Why I'm a Credit Union Member. Washington, D.C.: U.S. Department of Health, Education, and Welfare, Social Security Administration.

How to Be a Better Shopper. (Kit) Cincinnati, Ohio: The Sperry Hutchison Company, 1968.

How to Prepare Yourself for Job Interviews. Public Relations Office, New York State Employment Service, 370 Seventh Avenue, New York, New York 10001. (Free)

The Job Scene. IPD Publishing Company, Inc., 461 Park Avenue S., New York, New York 10016. (8¢ each)

Low-Income Teaching Kit on Credit. Washington, D.C.: U.S. Government Printing Office, Superintendent of Documents, 20402. ($.45 per kit, $33.25 per 100 kits)

Making the Most of Your Money. New York, New York: Educational Division, Institute of Life Insurance, 1969. (Free up to 100)

Money Management Insitute. *Mind Your Money...When You Shop*. #2 Chicago, Illinois: Household Finance Corporation, 1968.

Money Management Institute. *Mind Your Money...When You Spend*. #1 Chicago, Illinois: Household Finance Corporation, 1968.

Money Management Institute. *Mind Your Money...When You Use Credit.* #3 Chicago, Illinois: Household Finance Corporation, 1968.

Spitze, Hazel Taylor and Rotz, Patricia H. *Where Does the Money Go?* Austin, Texas: Steck-Vaughn Company, 1969.

The Story of Checks. New York, New York: Federal Reserve Bank of New York, 1966.

Too Good to Be True. Greenwich, Connecticut: Association of Better Business Bureaus, Inc.

Toyer, Aurelia. *Get Your Money's Worth*. New York, New York: Holt, Rinehart and Winston, Inc., 1965. (Book)

12 Secrets of Smart Food Buying. Richmond, California: Bay Area Neighborhood Development, 1966.

U.S. Department of Agriculture. *Be a Good Shopper*. Washington, D.C.: U.S. Government Printing Office, June, 1965.

U.S. Department of Agriculture. *Managing Your Money*. Washington, D.C.: Division of Home Economics, Federal Extension Service, March, 1964.

U.S. Department of Agriculture. *When You Use Credit for the Family*. Washington, D.C.: Division of Home Economics, Federal Extension Service, January, 1965.